

"This study of the Japanese colony of Formosa or Taiwan is based almost entirely on Japanese official sources, the exceptions being very few and explicitly mentioned. This reliance on Japanese sources may be explained by the fact that few foreigners have visited the island and fewer still have written about it. But even in the Japanese language comprehensive studies of Formosa are rather exceptional.

Those who have read something about Formosa may be astonished at some of the author's conclusions. They may remember the idyllic conditions pictured by the Japanese administration or its spokesmen in English publications. They may remember a picture of a prosperous and progressing island, the population of which is happy under the benevolent colonial administration. If progress consists in building roads, railways, harbors, radio stations, irrigation works, primary schools and hospitals, there is such progress in Formosa, and this book abounds in proofs of such progress. But the author has been interested not only in this question but even more in the question of how the Formosan people have fared under its rulers? At the time of annexation—45 years ago—Formosa was economically on about the same level as Japan. Japan was just emerging from her medieval state and was predominantly an agricultural country. Her agricultural technique at that time was hardly above that which prevailed in Formosa. Insofar as land was more abundant in the colony, its population was probably better off than that of Japan. What has happened in these last 45 years? How did the islanders fare in their political and cultural development? Had they any chance to perfect their culture enriched by contact with

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the Japanese? Have they any semblance of political freedom or any opportunities to advance? If they are not masters of their own fate politically, do they control their own economic life? If the answers to these questions are of a discouraging character, it is not because of the author's attitude but because of the facts revealed in the Japanese reports.

The best known example of a colonial regime is probably that of British India. In the Western world British policy in India evoked much criticism. Yet conditions in British India cannot even be compared with those in Formosa. The Indian people can organize; they use their own languages in middle schools and even in the Universities; they publish their own newspapers and books in their own languages; they have their own political groups and parties, their voice and their criticism are heard in the provincial assemblies; certain important industries of India are now in the hands of Indians. However limited all these rights and the opportunities to use them may be in India, they are infinitely greater than those of the people of Formosa.

The author expresses his deepest gratitude to Mr. W. L. Holland, Mr. Joseph Phillips, and Mr. Alexander Stevenson for their editorial help and criticism of the manuscript, though this does not mean, of course, that they necessarily share the views and interpretations of the author."

New York City October, 1941

A. J. Grajdanzev

"Taiwan, or Formosa is a Japanese island near the Chinese province of Fukien and the northern Philippine island of Luzon with a population of six million. One may wonder what are the reasons for a better acquaintance with a relatively small island lost in the Western Pacific, forming a very small part of the Japanese yen-bloc area. Readers may be expected to be interested in broad problems or in problems concerning large areas but not in a small island or a local Japanese problem. However there are important reasons for a better knowledge of Taiwan."

"Previous to Japan's occupation in 1895 Taiwan was a Chinese island, and after 45 years its population is still predominantly Chinese. What have the Japanese accomplished during this period? How has the Chinese population fared under foreign rule? Japan now promises China a new era of 'co-existence and co-prosperity.' What forms have co-existence and co-prosperity taken in Taiwan? Of course, all historical analogies have an important defect: new factors may intervene to alter the course of events. This however, does not render analogies completely useless, but demands only a more precise analysis of their respective actual bases. In the case of Taiwan we have a quite recent experiment. In both occupied China and Taiwan the masters are Japanese and the servants Chinese. What are the reasons for expecting that in conquered China the Japanese will behave worse or better than they behave now in Taiwan? [2]

The part assigned by her Japanese rulers to Taiwan in their plans for penetration into Southeast Asia is extremely important, and a knowledge of Taiwan is necessary for an appreciation of these plans.

Despite the significance of Taiwan, both as an example of Japanese rule and for its own sake, scarcely a work of importance has appeared in English since 1907, when a translation of a book by Yosaburo Takekoshi (1) was published. Previous to that time interest

1. Japanese Rule in Formosa, London, 1907.

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in Taiwan among the Powers resulted in a number of works out of all proportion to the island's importance. But since that time only a few travellers' stories of the type of 'Glimpses from Japan and Formosa' and 'Scrambles in Japan and Formosa' have appeared. This island, however small and remote, nevertheless has an external trade surpassing that of either Yugoslavia, Indo-China, or Turkey and thus certainly deserves closer attention."

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636.63

"The area of Taiwan, excluding the islands around it, is 35,760 sq. km. (13,807 sq. miles), a little more than the area of the Netherlands, or one-third as large as Virginia, and almost equal to the area of Kyushu or the Japanese part of Saghalien. The island stretches from north to south, the distance from its northern-most point to its southern promontory being 400 km. (249 miles) and, from east to west at the broadest part, 150 km. (93 miles). As an administrative area the Taiwan government-general includes adjacent islands and the Pescadores. The total number of these islands is 76, but their total area is only 64 sq. km. Recently the Spratley Islands off the coast of Indo-China were made a part of the territory of the government-general, but as yet they have not been adequately surveyed."

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"The geographical position of the island is as follows: its northerly point lies at 25° 38' north latitude, while its southern-most point is 21° 45' N. In other words, Taiwan is crossed by the Tropic of Cancer."

"Its climate and vegetation are tropical, a fact which was of special importance to Japan which is situated in the temperate zone and which, before the World War, had no possessions in the tropics, except Taiwan. After the War she received a mandate over the German Pacific islands lying north of the equator, but their total area is only 2,149 sq. km. (830 sq. miles). Thus before the recent occupation of Kwangtung and Hainan Island Taiwan was the only important Japanese possession in the tropics. As we see later, [4] this had an important bearing on Japanese economic policy there. "

"The most westerly point of Taiwan is $119^{\circ}18'E$. longitude and the easternmost point $122^{\circ}6'E$. Thus Taiwan is situated almost 30° (or 2 hours' difference in time) to the west of Japan proper, and on the same meridian as Shanghai. Below are distances from the chief ports of the island to the important points of the Far East (in miles):

To	From Keelung*	Tamsui	Takao
Amoy, China	217	192	186
Foochow, China	144	115	175
Shanghai, China	436	418	637
Yokohama, Japan	1,245	1,276	1,495
Hongkong	466	440	360
Manila, Philippines	1,116	1,090	1,010
Saigon, Indo-China	1,534	1,508	1,530
Singapore, British Malaya	1,906	1,880	1,800

*'Kirun' in Japanese transcription. "

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"Taiwan is therefore halfway between Shanghai and Hongkong and halfway between Tokyo and southern Indo-China. This makes it an extremely important point for the Japanese. Geographically it is nearer to China and to the Philippine Islands than to Japan. Since its conquest the Japanese have looked upon Taiwan as a base for their advance to the south, as a stepping-stone toward domination over the adjacent areas."

"Topographically, the island may be divided into two parts—an eastern mountainous region and a western plain. By elevation the whole area is divided as follows:

Elevation (in metres)	Area of the island (in sq. mi.)	% of total
100—500 m. (328—1,640 ft.)	2,900	21.0
500—1,000 m. (1,640—3,281 ft.)	2,960	21.4
1,000—1,500 m. (3,281—4,921 ft.)	1,560	11.6
1,500—2,000 m. (4,921—6,562 ft.)	670	4.7
2,000—2,500 m. (6,562—8,202 ft.)	370	2.7
2,500—3,000 m. (8,202—9,842 ft.)	180	1.3
over 3,000 (over 9,842 ft.)	100	.7
Total	<u>13,810*</u>	<u>100.0</u>

* 8,838,000 acres.

[5] Thus 21 percent of the total area of the island rises above one km. and 4.7 per cent—above two km. There are in Taiwan seventy-nine summits of the two parallel mountain ranges traversing the country from north to south, which rise above 3,000 m. Of these Mt. Niiaka (or Morrison), —rises to 3,950 m. (1) and Mt. Tsugitaka (or Sylvia)

1. 3,950 m., a figure given in Taiwan Jijo, equals 12,956 feet. However in the Japan Manchoukuo Year Book, 1939, as well as in some other books, its height is given as 14,500 feet.

to 3,931 m.; both of these (and several others) are higher than the famous Fujiyama of Japan. The ranges of mountains, rising one above the other over the western plain from sea level to a height of four km. over a short distance of eighty km. and then falling abruptly to the sea in the east, present a majestic and fascinating picture and justify the name given to Taiwan by the Portuguese—Formosa (Beautiful). In many places on the east coast magnificent cliffs form an almost perpendicular rock wall 500 to 150 m. high. Only one-third of the island is plain; the other two-thirds are hills, valleys and mountains, a fact which limits the area of cultivation. The mountainous eastern part, covered with thick tropical forest, has become a place of refuge for the aboriginal tribes."

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"Situated as it is in the tropics, Taiwan has high temperatures with small variations from year to year, and relatively small fluctuations from month to month.

Average Yearly Temperatures In Taiwan At Sea Level

	Centigrade			Fahrenheit		
	1931	1932	1936	1931	1932	1936
Taihoku (north)	21.6	21.6	21.7	70.9	71.9	71.2
Taichu (middle)	22.1	22.1	22.1	71.8	71.8	71.8
Koshun (south)	24.3	24.3	24.4	75.7	75.7	75.9

Source: Japan-Manchoukuo Year Book and Taiwan Jijo.

The average annual temperature in Manila is 26.6° C. and in Hongkong 22.2° C. January temperature in Koshun is a little above that of Miami, Florida, and the July temperature is the same. Taiwan at low levels thus resembles Florida and is considerably warmer than California. Tropical fruits can [6] ripen in Taiwan and it is possible to raise two-crops of rice from the same field and in some cases to grow a third crop also, usually of some vegetable. Land may be used much more intensively than in Japan. Frost is very rare in Taiwan (2) while snow is unknown, even on the mountains.

2. The lowest temperature observed was -0.2 C (31.6 F) at Taihoku and -0.1 C (31.8 F) at Taichu."

"Not less important for the vegetation is rainfall, and in this respect Taiwan is numbered among the places with heavy precipitation, as may be seen from the following table:

Yearly Precipitation

Taiwan (1936)	In mm.	In inches
Taihoku	1,913	75.4
Keelung	3,175	135.0
Taichu	1,503	59.2
Taito	1,132	44.5
Koshun	1,708	67.3
Averages		
Singapore	2,340	92
Calcutta	1,930	76
London	636	25
Key West (Florida)	968	38.1
Mobile (Alabama)	1,565	61.6
New York City	1,094	43.0
San Francisco	559	22.0

It is apparent that in spite of the smallness of the island there are very sharp differences in rainfall between its various regions. The difference appears even more striking when we examine the seasonal distribution of precipitation:

Precipitation In Taiwan In MM. (1936)

	Jan. -April	May-August	Sept. -Dec.	(Oct. -Dec.)	Total
Taihoku (N. W.)	789	881	184	(108)	1, 913
Keelung (N.)	1, 503	571	1, 102	(881)	3, 175
Taichu (W.)	426	852	226	(48)	1, 503
Karenko (E.)	292	568	246	(161)	1, 105
Tainan (S. W.)	159	1, 268	41	(10)	1, 468
Taito (S. E.)	232	706	192	(54)	1, 132
Koshun (S.)	227	1, 309	172	(47)	1, 708

[7] It may be seen from this table that there is a marked difference between seasons. In all districts except Keelung, the May-August period brings most of the rain, while the September-December period, and to a less marked degree the January-April period, are dry. This fact is of extreme importance for Taiwan's agriculture. "

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"It means that Taiwan, and especially the agricultural region around Tainan where the plain is broadest, suffers periodically from a too heavy rainfall and from dry periods.(3)

3. Not only seasonal distribution of precipitation is important, but also its distribution by days and even hours, and this distribution is extremely unequal in Taiwan. In Koshun maximum daily precipitation was 240 mm. and in Taichu 310 mm. (12 inches), or in one day (probably in one or two hours) more than in the four months of September-December. This leads, of course, to flood conditions and extensive damage.

For cultivation to be successful in these conditions necessitates, on the one hand, special arrangements for the prevention of floods and for drainage and, on the other, for irrigation. Only with the help of irrigation can the rich soils of Taiwan give maximum returns. One cannot say that the Chinese neglected irrigation before the coming of Japanese administration. However, they were ignorant of efficient Western methods of controlling the rivers, and in many cases only these methods, applied by Japanese specialists, could give good results."

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"Because of topographical conditions, the rivers of Taiwan are short and swift, the longest being the Dakusui, 170 km. (105 miles) long, which is in the east and flows parallel to the coast. There are only five others longer than 100 km. As they descend rapidly from great heights to the plains, however, they are able to supply a huge amount of power for the production of electricity, an important factor in the prospective industrial development of Taiwan."

"As to the winds, in winter northeast monsoons blow from the continent and in summer southern monsoons from the sea bring rains and storms. Violent storms—typhoons—are frequent and extremely destructive. At Koshun storms were observed with a velocity of 86 miles per hour. Typhoons come either from the direction of the Philippine Islands, passing [8] through the eastern part to the northeast in the direction of Japan, or from the south, to the north through the island, and then towards China."



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"Situated in the Pacific belt of volcanoes, Taiwan has very many earthquakes, on the average 330 each year in various parts of the island, but few are of great violence. In the earthquake of March 17, 1906, 3,643 persons were hurt and 20,987 houses damaged; on April 21, 1935, 15,329 persons were hurt and 54,688 houses damaged."

"The vegetation is luxuriant and tropical in character. The island is rich in sweet-scented and bright flowers, especially orchids, while in its forests one may see banana, black ebony, camphor oak, maple, palm, cork, oak, tree ferns, persimmons, pineapples, soap trees, tallow trees, etc. Higher in the mountains are found gigantic cryptomeria, red cedar, spruces, hinoki (Thuya obtusa), and pines; still higher the trees give place to short grass."

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"The island is less rich in fauna. There are cattle and water buffalo, although it is impossible to say whether they are native or imported, but few horses; birds are relatively rare, and there is an abundance of snakes, of which thirteen species are poisonous. Mosquitoes are very prevalent, a mosquito net being a necessity. In spite of the efforts of the Japanese physicians, malaria continues to be a scourge of the island."

"The name Formosa was given to the island in 1590 when the first Portuguese sailors to sight the island are said to have called it Ihla formosa (Beautiful island). However the name Formosa is not used by either the Chinese inhabitants or their Japanese masters. In Chinese and in Japanese alike it has been called Taiwan (or Terraced Bay) since 1612.

The island is only 100-120 miles from the coast of the Chinese province of Fukien. Two hundred miles to the south, separated by the Bashi Straits, lies Luzon, northernmost of the major Philippine islands, and less than 700 miles to the north lies Nagasaki, southern port of Japan. The intervening Riu-Kiu Archipelago made it possible for even primitive fishing boats to make the journey from Japan to Taiwan. These three connections—to the south with the Malayan Archipelago, to the west with the mainland of China, and to the north with Japan—have shaped the history of Taiwan."

"Before the 16th century the island was peopled almost exclusively by tribes of Malayan or Polynesian origin, related to the primitive tribes of Mindanao and Borneo. These numerous tribes, separated from one another by high mountains and impassable subtropical forests, were not only disunited, but waged constant war among themselves. As a consequence they could not present a common front to invaders and finally were either conquered or driven into the mountain fastnesses."

"Japan was too far away from the island for permanent [10] occupation and colonization. Malayan tribes could reach the Japanese islands by means of the Riu-Kiu Islands, just as Japanese pirates were visiting Taiwan on their way to pillage the Chinese coast. A permanent occupation, however, demanded more systematic effort and better connections. Later, during the Tokugawa Shogunate it was forbidden for any Japanese subject to go abroad under the penalty of death and thus, in 1650-1750, when the fate of Taiwan hung in the balance, Japan was absent from the scene. As a consequence, her present domination is the result of recent efforts, quite unconnected with the adventures of Japanese pirates in the 16th and 17th centuries."

"The indifference of the Chinese to an island so near to their shores may seem even more strange. The Pescadores Islands, approximately twenty to thirty miles from Taiwan, were first occupied by the Chinese in the reign of the Emperor Wen (589-604) (1) and after

1. See for details 'Mélanges Critiques' by M. C. Hagenauer, in Bulletin de la Maison Franco-Japonaise, Tokyo 1930, Tome II, pp. 40 et seq.

A. D. 1300 they were already known as a part of the Empire."

"On the other hand the rulers of the Riu-Kiu Islands to the north of Taiwan had been paying tribute to the Chinese Emperor from the fifth century and, according to all evidence, were well known to the Chinese. Taiwan, however, remained virtually unknown to the Chinese for many centuries, a fact which is demonstrated by the absence of a special name for the island, and it is still an open question whether or not they considered it part of the Riu-Kiu Islands. (2) The cause of this indifference was probably the warlike spirit

2. According to G. Schlegel (Problèmes Géographiques, T'oung Pao, VI), the name Riu-Kiu was applied first to Taiwan, and only under the Ming Dynasty was it transferred to the Riu-Kiu Islands proper. According to Chinese historians, the eunuch Wan San-ho of the Peking court, returning from Siam, in 1430 was driven by storm to an island the position and the character of which, as described by Wan San-ho, correspond to Taiwan. But no action followed his report.

of the aborigines, who prevented peaceful settlement on the part of the Chinese. In times of peace private initiative was insufficient to overcome this obstacle, and the Chinese government, as we shall see, showed complete indifference to the fate of the island up to the end of the 19th century. "

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"Special circumstances contributed to the transformation of Taiwan into a Chinese island. In 1644 China was invaded by the Manchus. The Ming Dynasty was overthrown in the north, but the struggle continued for many years in the south and the population suffered all the horrors of the war. As a consequence more than 100,000 Chinese, according to some reports, fled to Taiwan, which by that time was well known to the inhabitants of Fukien and Canton as the base of operations by Japanese and Chinese pirates alike. This mass emigration to Taiwan changed the character of the island. The newcomers were resolute people, ready to fight aborigines and Manchus, and in their wake thousands of other Chinese followed annually from the densely populated southern provinces.

During the 16th and 17th centuries European Powers laid the foundations of their present Asiatic colonial possessions. Java became a Dutch colony, the Philippine Islands Spanish, and the Portuguese succeeded [sic] in acquiring a base at Macao. Rivalry was keen and, after unsuccessful attempts to drive the Portuguese out of Macao, the Dutch established a base on the southwestern shore of Taiwan in 1624, near the present town of Tainan. They began to extend their control over the adjacent territory, to convert the aborigines to Protestantism, to tax the people, to encourage the planting of sugar cane and to develop the production of camphor. Dutch mastery over the island was contested by the Spaniards who in 1626 built Fort San Salvador at Keelung, in the north of the island, and three years later Fort San Domingo at Tamsui, in the northwest. At the same time Spanish missionaries also started preaching the Gospel, trying to convert the

natives to Catholicism. But the Dutch drove out the Spanish soldiers (1) by military force

1. The following correspondence between the Dutch and Spanish commanders is of interest, because it aptly illustrates the spirit of the time:

To Gonsolo Portilio,

Governor of the Spanish fortress in the island of Kelung.

Sir.

I have the honor to communicate to you that I have received the command of a considerable naval and military force with the view of making me master by civil means or otherwise of the fortress Santissima Trinidad in the isle of Kelung of which your Excellency is the Governor. [12]

In accordance with the usage of Christian nations to make known their intentions before commencing hostilities, I now summon your Excellency to surrender. If your Excellency is disposed to lend an ear to the terms of capitulation which we offer and to make delivery to me of the fortress of Santissima Trinidad and other citadels, your Excellency and your troops will be treated in good faith according to the usages and customs of war, but if your Excellency feigns to be deaf to this command there will be no other remedy than recourse to arms. I hope that your Excellency will give

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careful consideration to the contents of this letter and avoid the useless effusion of blood, and I trust that without delay in a few words you will make known to me your intentions.

May God protect your Excellency many years.

The friend of your Excellency

Paulus Tradenius.

Fort Zelandia, August 26th, 1641.

To the Governor of Taiwan.

Sir,

I have duly received your communication of August 26th, and in response I have the honor to point out that as becomes a good Christian who respects the oath he has made before his king, I cannot and I will not surrender the forts demanded by your Excellency, as I and my garrison have determined to defend them. I am accustomed to find myself before great armies, and I have engaged in numerous battles in Flanders as well as other countries, and so I beg of you not to take the trouble of writing me further letters of like tenor. May each one defend himself as best he can. We are Spanish Christians and God in whom we trust is our protector.

May the Lord have mercy upon you.

Written in our principal fortress

San Salvador the 6th of September 1641.

(Signed) Gonsalo Portilis.

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[12] and to all appearances became the sole masters of Taiwan. Had they retained the island, it might have become a base for further penetration into China and Japan. As has been mentioned, China was at that time in a turbulent state. As the conquering Manchus advanced southwards, many more Chinese fled to Taiwan. In the southwest resistance to the invading forces was carried on first by Cheng Chi-lung. Originally a tailor, he later migrated to Japan, where he married a Japanese girl. He then became a famous pirate and finally, as was often the case in China, a high official. His son Cheng Ch'eng-kung, better known as Koxinga, continued the struggle, but, being hard pressed by Manchu forces, decided to give up Fukien. On April 30, 1661, Koxinga, with a large fleet and an army of 25,000, appeared at Zeelandia, chief Dutch port in Taiwan, where he was supported by the discontented Chinese population. Only nine years before, there had been a serious uprising against the Dutch as a result of oppressive taxes and heavy export duties, and though the rebel-[13]lion had been crushed, the resentment remained. Koxinga besieged the fortress, which was garrisoned by 2,200 Dutch soldiers and a few settlers, and after a long siege the Dutch surrendered on February 1, 1662, bringing to an end the attempt to secure a European base for an advance to the north. Within a few years all vestiges of Dutch influence had disappeared, the forts fell to ruins and the aboriginal converts returned to their old practices.

The reasons for the failure of both the Dutch and Spaniards are not far to seek. The purpose of colonial possessions was trade, whilst preaching the Gospel was only an

auxiliary method of subjugation and control. The needs of the local inhabitants were neglected—they were looked upon only as a source of income. The smallness of military forces stationed in the colonies and the great distance from bases prevented speedy reinforcement of the garrison, and the Dutch were compelled to give up in the face of the strong native force.

In 1683 the island fell into the hands of Manchu rulers, and for 212 years it was a part of the Manchu Empire. But little attention was paid by the rulers to the island, for it was made only a fu—a prefecture—of Fukien province, the governors of which did not trouble themselves with visits to a distant island.

The population was unruly and turbulent. The Chinese inhabitants consisted of two groups which did not easily mingle with one another. The earlier settlers were the Hakkas from Kwangtung province, the remnants of the native tribes which were sinified to some degree as they came under Chinese domination. Their name itself means 'stranger', and in China they were the pariahs of society. In the new possession they were able to secure better conditions, and it has been estimated that one third of the Hakkas in Kwangtung province emigrated to Taiwan. (2). Another group was made up of emigrants from the opposite

2. Davidson, J., The Island of Formosa, 1903, p. 8.

shore of Fukien province, called Puntis. Both groups of the Chinese population brought

with them the customs, beliefs, and superstitions which they had [14] known on the continent and thus reproduced on the island the life they had led in China. The Chinese in South China, for example, were organised into clans, and the population of Taiwan was likewise thus divided.

From the occupation of the island by Koxinga to the coming of the Japanese some 220 years later the Chinese were constantly at war with the natives who had once occupied the whole island, including the fertile plains of the west, and who were now forced to give up their lands. Some of the aborigines were absorbed by the Chinese, some annihilated; while the most indomitable were driven step by step into the mountainous regions. As a result of this cruel treatment, they developed a hatred for the Chinese and tried to kill them at every opportunity, raiding their villages or hunting the inhabitants down when they dared to penetrate the dense forests in search of camphor trees. The Chinese organized some kind of semi-volunteer guards, whose duty it was to keep the 'savages' within a pale. But the 'savages', composed of many tribes, were fighting not only against the Chinese, but also among themselves and as a result of these unfavorable conditions, their numbers either remained stationary or decreased, while the Chinese population on the plains, living if not a life of opulence, yet under comparatively easy conditions, was increasing by natural growth as well as by immigration from China. At the end of the period of Chinese sovereignty, the aborigines, who had once made up the whole population of the island, formed only about three to four per cent of the total, so that the island acquired an entirely Chinese character. "

"The Chinese, however, were not a homogeneous group with identical interests. The difference between the Hakkas and the Fukienese has already been mentioned [see category 116, p. 13--Analyst] and this difference often found expression in bloody conflicts. Within each of these two groups clans were fighting one another, often for seemingly trivial reasons but most commonly for land and for influence in local affairs. There was also cleavage between the old settlers who possessed the land and the newcomers who had been compelled to rent it and borrow money at exorbitant [15] rates. Finally, there were frequent rebellions against the local officials of the Manchu government who ruled the island with the support of 10,000 to 15,000 poorly trained and badly paid soldiers.

At the time of conquest the Manchu rulers did not resemble the Chinese either in appearance or in language. The Manchus were a warlike Tungus tribe inhabiting North Manchuria and now almost completely assimilated by the Chinese. At least during the first century after the invasion they did not speak the Chinese language, far less the Fukienese dialect. The Hakkas hardly understood the Puntis, and both, as a rule, did not understand the numerous aboriginal dialects. The officials communicated with the population only through interpreters who often abused their position, a bribe being sufficient to change the interpretation of a case before the mandarin. These mandarins and their entourage, coming from distant Peking, looked upon Taiwan as a source of speedy enrichment, and at times their exactions and misrule became so oppressive that revolts followed. A Chinese saying of those days concerning Taiwan sums up the situation:

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'Every three years a disorder, and every five years a rebellion.' (1) Indeed the history

1. Quoted by De Bunsen, 'Formosa,' Geographical Journal, 1928, p. 268,

of Taiwan is represented by some writers as a succession of rebellions."

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"However, it would be a mistake to overemphasize these uprisings. Life was not easy under the conditions described above, but it was better than in Fukien and a definite development was taking place. Before 1600 hardly a thousand Chinese lived on the island; in the middle of the 18th century there were, according to Luchow, two and a half million. This may be an exaggeration, but it is a fact that at the end of the 19th century there were three million Chinese in Taiwan, engaged mainly in the cultivation of rice and sugar. About four hundred vessels were then plying between Taiwan and the mainland exchanging the produce of the island for that of China and in 1893, for example, 21 million lbs. of tea, 5.3 million lbs. of camphor and 98 million lbs. of sugar were ex-[16]ported. Taiwan rice played an important part in the economy of Fukien, as did oilcake, which was used as fertilizer. Taiwan sugar made up a great part of the sugar consumed in North China, and her camphor was a not unimportant item in China's foreign trade. This brief inventory is very important because it shows that the present-day character of Taiwan is not the creation of its present rulers, but is the result of a long historical process, though the progress under Chinese administration was slow in comparison with later developments."

"As has been mentioned above, the development of the island was due exclusively to the energy of the local population, for the Peking government neglected this far-away district of Fukien province. However, several events demonstrated to the Chinese government the dangers of this neglect.

The second half of the 19th century witnessed a revival of the struggle for colonies among the Powers. This was the period of the division of Africa, but Asia was not overlooked. In 1842 the British acquired Hongkong, twelve years later Commodore Perry 'opened' Japan to foreign commerce, about the same time the Russians again appeared on the north bank of the Amur, and in 1859 France got a foothold in Cochin China. It was an open secret that the Powers were again alive to the strategic importance of Taiwan. To find excuses for interference was not very difficult. The unruly state of the aborigines and the Chinese distrust of foreigners caused many critical situations and even tragedies for foreign shipping; shipwrecked sailors being maltreated and sometimes killed (1).

1. The fault was not always on the side of Taiwan's inhabitants. For example, in 1869 marines from the Prussian ship 'Elbe' were landed on the Taiwanese coast, though they had no need nor in fact any right to do so. The aborigines fired on them and compelled them to return to the ship, whereupon the commander landed a strong party of marines, destroyed the nearest village and killed those who did not flee.

The foreign nations retaliated with bombardments of the coast and temporary occupation of certain points on the island. In 1874 Japanese forces spent several months on the island and evacuated it only after the friendly intervention of other [17] Powers. This acquaintance of the army with the island was put to good use by the Japanese twenty years later. "

"Simultaneously with these military clashes commercial penetration of Taiwan was going on. By the treaty of Tientsin with Great Britain, Taiwan, the former capital of the island (now Tainan), was opened to foreign commerce. In 1860, the year of the ratification of the Tientsin treaty with France, Tamsui was also opened to trade (1). The pioneers

1. Regarding the causes of this opening it is stated in Article VI of the treaty: 'Experience having demonstrated that the opening of new ports for commerce is one of the necessities of the age, it has been agreed that the ports...'

were Jardine Matheson and Company and Dent and Company, two well-known and influential British firms in Hongkong, which in 1858 established trade connections with Taiwan and in 1860 opened offices there. The chief article of export from Taiwan in which they were interested was camphor, while in imports their interests were limited to opium (2). Opium was known in Taiwan before that date, but the years 1860-95 saw

2. Opium was 'practically the only import in which foreigners were interested' wrote Davidson, the American consul in Taiwan for some years.

the greatest spread of this evil. To support the interests of the business firms, British and later American and other consulates were opened in Taiwan. In 1863 the Imperial

Chinese Maritime Customs—actually a foreign-controlled agency in China to service the debts of the Chinese government—began to function at Tamsui. It is interesting to note that at first the customs office was opened on board the opium-receiving hulk Pathfinder, property of Jardine Matheson and Company; at about the same time the British consul opened his offices at Takao on board the opium-receiving hulk Ternate belonging to Messrs Dent and Company. This illustrates the close connection which at that time existed between the Customs, British officials, merchants, and the opium trade. These merchants on several occasions used their own force to compel the Chinese to accept their demands. In 1868 after one such 'small local war' (3) in which British marines had

3. The pretexts for such 'wars' were not difficult to find. Two gentlemen, for example, forced their way into Chinese property to which they had some claim, breaking down the door which was fastened by nails, but were met by 'a mob of [18] some 500 coolies.' 'The two gentlemen attempted immediate flight, but before they had gained many steps they were assailed in the most violent manner with guns, knives, spears and stones by the ferocious ruffians. Mr. Bird was struck down by a stone and beaten and stabbed with spears and muskets,' etc., etc. (Davidson, op. cit., p. 200). Miraculously, both gentlemen remained alive and in command of their faculties. Gunboats appeared on the scene to lend very effective support to their claims.

taken part, "although there [18] was not a shadow of hostilities between China and Great Britain at that time, the British compelled the Chinese officials to abolish the camphor monopoly, to recognize the right of foreigners to travel and buy freely, the right of the missionaries to reside and work in the island, etc."

116, 175, 177.65

636.65

"In 1884 began the Sino-French war, the purpose of which was to compel the Chinese government to agree to the French version of Tonkin's boundary. Activities spread to Taiwan, which was blockaded by the French navy. The war was not very glorious for French arms, but it brought home to the Chinese government the need for improvements in Taiwan. The island was raised to the rank of a province in 1887, and the energetic Liu Ming-chuan, commander of the Chinese forces during the French blockade, became the first governor. He worked out a plan of substantial improvements and during his short rule the construction of the first railway on the island was begun, a telegraph network was constructed and a cable connecting with Amoy laid; harbors were also improved and fortifications built. But all this was done without any attempt to improve the condition of the masses, to educate them, or to give them some voice in the government. The cost of the reforms Liu Ming-chuan wanted to place upon the local population through the introduction of 'likin' (1) and through a revision of the land tax. This caused disturbances

1. A tax on goods moved across administrative boundaries.

among the population. Liu Ming-chuan was removed from office and the Chinese administration of the island returned to the original state of inaction; but the menace was already at hand."

116, 175, 668

"In 1894 the war between Japan and China began. China suffered defeat. and by the Treaty of Shimonoseki of April 18, 1895, Liaotung peninsula and Taiwan were ceded to Japan. Though the Pescadores Islands had been occupied by Japanese [19] marines, there were no Japanese troops on the island of Taiwan at the time the treaty was signed, and when the news reached Taiwan, the administration and the population decided not to submit to the cession. It is quite possible that Peking encouraged local authorities to do this and there were rumors that in order to avoid the transfer of the island to the Japanese, the government was ready to give it to the British or to the French. In fact, the British are said to have declined the offer, (1) and under the circumstances, the French too

1. In view of the interest which the British had in the island (as was shown above) the natural question arises as to why they declined this offer. The answer is given in the work of Mr. W.A. Pickering, an important official in British service, of whom none other than Sir Robert Hart said in 1878 that 'no single European had ever possessed such opportunities of learning the Chinese character in all its phases,' and who from 1877 to 1888 'was virtually the ruler of some hundreds of thousands of Chinese in the Straits Settlements and in native States' (See his Pioneering in Formosa, London, 1898, p. 257). Mr. Pickering writes: 'Well, Japan is an Asiatic nation in spite of her modern civilization and her Western

ideas. Against any European power Japan can do absolutely nothing, in fact there is no European nation that has any reason to fear anything from any Asiatic race, however civilized. Japan, however, would be splendid as an ally; and, per contra, she would be just as dangerous in alliance with any other European power. That she would be a splendid ally to us I have not the least doubt.' And further (p. 258, op. cit.): 'And Formosa? Well we have had lots of chances to take Formosa. Certainly, we can't allow Russia or France to take it, and it could not be in better hands than those of Japan or in worse than those of China.' The gift of Taiwan to Japan was to pave the ground for a coming alliance. The British were sure of Japan's inability to rule there without British assistance and capital. The Pickerings who thought they knew the Chinese character so well badly misjudged the Japanese.

showed no special inclination to take it. Nevertheless the Chinese of Taiwan decided to act on their own. On May 23, 1895, the Taiwan republic (for which China's treaty was not binding) came into existence with the governor of the province Tang Ching-sung as its president.

But the republic of Taiwan lasted in the north less than three weeks. The president of the republic fled after the first defeat of his troops, and the army was left disorganized and leaderless. It is true that General Liu Yung-fu proclaimed himself president in the south, but at the approach of the Japanese he fled in the same manner as Tang Ching-sung.

As subsequent events clearly showed, it was not the absence of enthusiasm on the part of soldiers and of the people to fight for Taiwan that caused the collapse of the Republic. Describ-[20]ing the guerilla war which took place after the flight of the president, Yosaburo Takekoshi says: 'Whenever our troops were defeated, the inhabitants of the surrounding villages instantly became our enemies, every one, even the young women, arming themselves and joining the ranks with shouts of defiance. Our opponents were very stubborn and not at all afraid of death.' (2) Chinese mandarins showed their inability

2. Japanese Rule in Formosa, p. 88.

to rule the country in time of peace; they proved also their complete inability to organize its defenses in time of war. (3) In better hands Taiwan could have shown incomparably

3. The following rewards promised by the governor of Taiwan may serve as an illustration of his military knowledge: for the capture of a big man-of-war, 70,000 taels; for the capture of a small cruiser, 4,600 taels.

better resistance. The president fled on June 11, but Taiwan (in the south) was not taken until November 18, 1895, and four to six more years were necessary in order to subdue the guerilla warriors whom the Japanese contemptuously called 'brigands'. Japanese

116, 175, 668

losses in the pacification were not small. Takekoshi gives the following figures: died of disease in Taiwan, 4,642; sent to Japan for treatment, 21,748; remaining in hospitals in Taiwan, 5,246; killed in battle, 164; wounded, 515. This does not include losses suffered after November 1895 (4).

4. Engagements of the period of 1895-1901 were often on a quite large scale. In December 1895 General Yamaguchi, suppressing the 'insurrection of Hakkas armed only with long poles... shot five or six hundred of them and forced the rest to submit.' (Takekoshi, op. cit., p. 92.)

The strikingly small number of killed and wounded, as compared with those who died of disease or were treated for illness is possibly the result of the habit of the Japanese command in understating losses in war. Chinese losses up to December 1895 were estimated by Japanese at six to seven thousand killed in action."

"Thus Taiwan became the first Japanese colony. Many problems faced the new masters of the island, one being the aborigines and the territory occupied by them. About half of the island, sparsely populated by aboriginal tribes, was practically outside Chinese authority and the occupation of the western part by Japanese in 1895 did not bring them nearer to [21] the solution of the problem. It took decades of effort and even now is not finally solved. The Chinese part was easier to control, but several years were spent in the suppression of rebellions, and special measures were required to keep order among the population. Even the pacified population presented many problems. They were foreign in speech, in customs, outlook and allegiance, and no policy worked out in advance could be applied at once."

4:Grajdanzev--21

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Formosans

116, 175, 177.65

Japan

636.65

"Finally, a not less important problem was how to make the island pay, for the new masters came to the island not so much in order to benefit the islanders as to benefit themselves. Owen Rutter, explaining the existence of good roads, railways, good streets and other amenities of life in Taiwan, says that 'Money has been poured into Formosa by the Japanese; to them it is like a ewe lamb'. (1) In the following pages however it will be

1. Geographical Journal, London, 1928, p. 286, quoted in the discussion of the report of E. H. Bunsen.

shown that Japan spent relatively very little in Taiwan and received very much from it; that most of what has been done in Taiwan has been done on money raised there.

The history of the island after Japanese occupation will be given along with a description of various phases of human activity in Taiwan."

"In an investigation of the population statistics of the island several questions should be borne in mind: (1) What changes in the racial character of the population have taken place since the occupation of the island by the Japanese? (2) Is there any substantial difference between native and Japanese living conditions as reflected in vital statistics? (3) What changes in the occupational distribution of the population have taken place? (4) What is the condition of the aboriginal tribes? Finally, the investigation of Taiwan's population may furnish an important clue to the riddle of population trends of China. As is well known, a census of the modern type has never been undertaken in China, and current vital statistics are non-existent. All information we have is based on more or less bold guesses and on a few samples which represent only a drop in the sea of the Chinese population. However, here in Taiwan we have a quite compact Chinese population of more than five million with a normal age and sex composition, agricultural in character, living according to the customs of their fathers and forefathers. The first census was taken in Taiwan in 1905, fifteen years earlier than in Japan proper. Since that time we have the results of several censuses and current vital statistics of satisfactory value. Demographers should not pass over these results, and yet, so far as is known to the author, they have been neglected (just as were the results of investigations in the Liaotung peninsula) in Chinese population studies. [23]

The estimated total population for 1898 was 2,613,400, but this is only a guess for at that time the government did not control the whole area of the island. The following figures

figures will bear out this point.

	Births	Deaths	Rates per 1000	
			Births	Deaths
1898	31,688	20,305	13.7	8.8
1900	57,564	48,981	21.0	17.8
1902	75,750	76,306	26.1	26.3
1904	99,395	94,636	33.5	31.9

If these figures are correct, the birth rate in Taiwan increased 2 1/2 times and the death rate four times in six years, an absolutely inconceivable situation. But the tendency is quite clear; the government was more and more successful in the enforcement of rules of registration. Later on we shall see the same phenomenon in agricultural statistics.

The results of the censuses of the population, are as follows:

	Absolute figures (thousands)	Index
		1905=100
1905	3,039.8	100
1915	3,479.9	114
1920	3,655.3	120
1925	3,933.4	131

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Formosans-3

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	Absolute figures (thousands)	Index 1905=100
1930*	4,592.5	151
1935*	5,212.4	171
1936†*	5,452.0	180
1937†*	5,609.0	185
1938†*	5,747.0	189

*Including aborigines, who were not registered in preceeding censuses because they had not yet been pacified. This makes the later figures appear about 100,000 larger than they would be on the same basis.

† Official estimates.

From this table it appears that the population of Taiwan in thrity-two years increased by eighty-five per cent. Such a rate is high, for over the same period the population of Japan proper increased by only fifty per cent.

The pressure of population on resources in Taiwan is evidently very great. Population density in 1937 was about 157 per sq. km., i.e. greater than of Italy or Germany and [24] as great as that of Japan proper in 1925. Since the rate of natural growth of the Chinese in Taiwan is considerably higher than that of the population in Japan, the time is not far distant when the density of population in Taiwan will equal the density in Japan Proper."

"As may be seen from the following figures, the population of Taiwan is very unequally distributed:

Province	Area (sq. km.)	Population (thousands)	Density per sq. km.
Taihoku (N.)	4,594	1,101	240
Sinchiku (N. W.)	4,570	766	167
Taichu (W. center)	7,382	1,251	170
Tainan (W.)	5,421	1,422	262
Takao (S. W.)	5,721	795	139
Taito (S. E.)	3,515	77	22
Karenko (E.)	4,628	124	27
Pescadores	126	68	539
Japan proper (1938)	379,000	72,223	191

Two eastern provinces are comparatively thinly populated, while Taihoku and Tainan have a density greater than the average for Japan. However, the actual distribution is even more unequal than these figures suggest. for almost every province consists of two parts—a coastal plain which is extremely densely populated, and the hilly and the mountainous hinterland where the density is very low. This is not to say that the latter is incapable of development; indeed the development of these areas is one of the greatest problems confronting the government."

4:Grajdanzev--24-25 S-4

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Formosans-1-3

116, 162, 168, 656, 177.16

Japan

636.16

"Racial Composition of the Population

Since Taiwan is a colonial territory, it is of more than ordinary interest to study the evolution of the racial composition of its population.

After more than forty years of Japanese domination the island thus remains Chinese in character. In 1938 Chinese made up 94 per cent of the population, while the Japanese, who constituted about 2 per cent of the total in 1905, now made up 5.3 per cent. Presumably this figure does not include Japanese soldiers stationed in Taiwan. At the time of the occupation [25] of the island the Japanese entertained high hopes for Japanese immigration

Racial Composition of The Population of Taiwan (1905-1938)

	Oct. 1, 1905		Oct. 1, 1935		Dec. 31, 1937		Dec. 31, 1938	
	Census		Census					
	Thousands	%	Thousands	%	Thousands	%	Thousands	%
Chinese	2,979.0	97.8	4,990.1	93.86	5,261.5	93.85	5,392.8	93.88
Japanese	59.6	1.93	271.4	5.12	229.3	5.33	308.8	5.37
Foreigners*	8.2	.27	54.1	1.02	46.2	.82	43.4	.75
Total	3,046.9	100.0	5,315.6	100.0	5,609.0	100.0	5,747.0	100.0

* Almost entirely Chinese who are citizens of the Republic of China.

Note:—For 1935, 1937 and 1938 'Chinese' includes also aborigines, numbering about 140,000.

4:Grajdanzev--24-25
116, 162, 168, 656, 177.16
636.16

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(no date) 1942

Formosans-2
Japan

into Taiwan. Climatic conditions are suitable, the density of the population at that time was relatively low and there was no doubt that the island could support much larger numbers than were there. Subsidies were granted to settlers in general and to fishermen in particular and it was thought that in this way the island would be speedily 'japanized.' The results of the first seven years had already brought disappointment:

	Total Japanese arrivals	Total Japanese departures	Remainder
1898	13, 214	3, 078	10, 136
1899	20, 743	7, 903	12, 840
1900	20, 995	11, 291	9, 704
1901	17, 841	14, 054	3, 787
1902	13, 821	11, 478	2, 343
1903	15, 892	13, 149	2, 743
1904	11, 564	12, 155	591

After the rush of the first three years, when the Japanese administration of the island was organized and many persons were needed for the governmental apparatus, the number of immigrants fell sharply. As was shown above, the growth of the Japanese population

4:Grajdanzev--24-25 S-4

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Formosans-3

116, 162, 168, 656, 177.16

Japan

636.16

on the island was not due to immigration alone, but also to natural increase. After subtracting this natural increase, the average annual number of immigrants is only 4,000 to 5,000."

4:Grajdanzev--25-26 S-4 (no date) 1942

116, 168, 464, 656, 609, 177.16

636.16

Formosans

Japan

"Since the occupation of the island, the Japanese authorities have forbidden the free immigration of Chinese. Coolies were [26] admitted in limited numbers each year for seasonal work but they were compelled to return to the mainland after the expiration of their contract. Besides the coolie class some Chinese could enter Taiwan for business purposes with the permission of Japanese consular authorities, but they remained Chinese citizens and were treated as foreigners. These two groups of Chinese make up most of the 'foreigners'. The fall in their numbers in 1937 and 1938 is connected with the Sino-Japanese war, for many then preferred to return to China and the total number of 'foreigners' is now comparatively small. Thus the purpose of the Japanese authorities—to exclude the Chinese from the island—has been accomplished, but this has been more than offset by the natural increase of the Chinese population."

4:Grajdanzev--26
116, 162

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Formosans

"Below we give births, deaths and natural increase for Japanese and Chinese on the island for the last few years (in absolute figures and rates per thousand of population).

	1933		1934		1935		1936		1937	
Japanese	No. 0/00		No. 0/00		No. 0/00		No. 0/00		No. 0/00	
Births	7,979	31.1	7,718	29.4	7,999	29.6	7,918	28.1	8,538	28.5
Deaths	2,747	10.7	2,959	11.3	2,951	10.9	2,955	10.5	2,873	9.6
Natural										
increase	5,232	20.4	4,759	18.1	5,048	18.7	4,963	17.6	5,665	18.9
Chinese										
Births	211,737	45.4	219,189	45.8	225,980	46.1	223,961	44.6	237,090	45.9
Deaths	94,975	20.3	101,270	21.1	102,905	21.0	102,149	20.3	105,199	20.4
Natural										
increase	116,762	25.1	117,919	24.7	123,075	25.1	121,812	24.3	131,891	25.5

Source: Taiwan Jijo.

Compared with the annual natural increase of the Japanese of 5 to 5.5 thousand, the annual increase of the Chinese is 120 to 130 thousand, or 25 times as great. Even if we include immigration, the Japanese colony is increasing yearly by only 8 or 9 thousand as compared with the Chinese increase of 120 to 130 thousand. Under such conditions there is nothing astonishing in the fact that the population of the island is essentially Chinese in character after forty-five years of Japanese rule and, furthermore, there is no possibility of making it Japanese either through free or subsidized immigration."

4:Grajdanzev--27-28

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(no date) 1942

Formosans-1-2

116, 167, 177.16

Japan

636.16

"Below we give a short survey of the efforts of the Japanese government to colonize the island with Japanese settlers. These were to be of two kinds: (a) farmers, (b) fishermen. Before 1907 no plans for colonization could be worked out because the country was not yet pacified and Japanese immigrants could not appear in the countryside unless supported by armed forces. In 1907 the government elaborated and put into force a plan for the emigration of farmers to Taiwan. Grants of land—about 38,000 hectares—were made to thirty-eight settlements, but only eight settlements were actually made, and even these ended in failure. Taiwan attracted many Japanese adventurers (see figures of immigration for 1898-1904 above) who sought a paradise in the new possession. Finding no outlet for their talents, they became restless, and the government-general decided to repatriate them to Japan, and the would-be farmers departed with them.

The second attempt, started in 1910, was relatively more successful. The government gave to immigrants in eastern Taiwan land, houses, roads, schools, hospitals, irrigation works, etc. on condition that they would repay all advances in ten years, but demanded that each immigrant should have been an independent farmer in Japan and have at least ¥250. The limitations were imposed because the official explanation of the first failure was that the immigrants had no money of their own and were poor tenants in Japan. Under this scheme only 3,368 persons were settled in three different villages. These villages still exist, but after twenty-five years have only 3,117 inhabitants. Conditions of

4:Grajdanzev--27-28

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(no date) 1942

Formosans-2

116, 167, 177.16

Japan

636.16

life on the land cannot have been too attractive.

Since 1915 the Taito Sugar Company, with the support of the government, has tried to attract Japanese colonists for the production of sugar cane. The Taito Colonization Company was established and became active, but all its efforts were unsuccessful, and up to 1936 only seventy-eight families among those who came under these schemes remained on the land. Yanaihara explains this failure by the low price for sugar cane offered by the company and by the difficulties of specialized [28] farming, but a more fundamental cause was that in a colonial society a mass immigration can succeed only if the immigrants lower their standard of living to that of the natives.

In 1931 the indefatigable government-general worked out a new plan of immigration, and up to 1936 brought to Taichu province 156 families, giving each 12.25 acres of land, a monetary subsidy and loans free of interest. Some of the immigrants were settled near Takao. "

4;Grajdanzev--28 S-4
116, 167, 311, 609, 177.16
636.16

(no date) 1942

Formosans
Japan

"It should be noted that, even after the pacification of the island, Japanese immigrants were treated in a hostile manner by the Chinese population. Under this pressure many farmers were compelled to leave their villages, some of them renting their land to Chinese and becoming absentee landowners. The total number of Japanese occupied in agriculture in Taiwan in 1938 (including members of their families) was 8,065.

The colonization schemes for fishermen were not much more successful. In 1909 the government-general began its campaign, promising subsidies and other advantages. But those who answered the call preferred some occupation in Taiwan other than that of fishermen. In 1926 in Taihoku province 49 families (172 persons) were settled and most of them continue to work there. Since 1932, the government has again made efforts to attract fishermen to Taito province, and, up to 1937, 54 families had settled there. The plan for 1938 and 1939 foresaw the settlement of 25 families for each year. Such are the very modest results of the continuous efforts of the Japanese government.

Takahashi is of the opinion (1) (and his opinion reflects the ideas prevailing among

1. See his Gendai Taiwan Keizairon, pp. 8-9. ~

Japanese economists) that there is little room for the Japanese in Taiwan as long as the island remains an agricultural region; hence his belief that Taiwan should be industrialized."

4:Grajdanzev--28-29 S-4 (no date) 1942

116, 168, 609, 701, 177.17

636.17

Formosans

Japan

"Greater numbers of Japanese in Taiwan are necessary both for military reasons and for the speedy 'japanization' of the islanders. The military considerations advanced by Takahashi [29] are very interesting for they show that, in spite of forty-five years of Japanese domination, there is still a certain anxiety concerning the loyalty among the Japanese rulers of the Chinese. The island is highly militarized and accustomed to martial discipline and yet the Japanese still consider it necessary to strengthen it militarily. But even Takahashi puts greater stress on the 'japanization' of the natives than on the Japanese immigration. After forty-five years of Japanese domination, after their continuous efforts to increase the number of Japanese there and to 'japanize' the natives, the island remains predominantly Chinese in character, the Japanese forming only about five per cent of the total population, and this state of affairs is bound to continue as long as the natural increase of the Chinese remains at its present high level."

"Native and Japanese Standards of Living as Reflected in Vital Statistics

The high absolute and relative rates of growth of population in Taiwan are extremely interesting and may be illustrated in the following way: in 1937 245,000 children were born in Taiwan—one-third the number of children born in Great Britain and one-fifth of those born in Germany, although the total population of Taiwan is but one-seventh and one-twelfth respectively as great as that of those countries. In other words Taiwan's future population will be much larger than the present figure suggests. If every year about 100,000 persons reach an age of eighteen now, in twenty years their number will almost double. If the islanders are to retain the same standard of life, agricultural and industrial production should increase at the same rate as population and if they are to raise this standard agricultural and industrial production should grow at an even greater rate. This rapid growth of population—more than 130,000 additional mouths each year—raises grave issues for the authorities. As we shall see later, this problem has not been solved and indeed is unlikely to be solved under conditions existing on the island."

"Now let us return to the ratios of births and deaths given in [30] the preceding pages. For 1937 the birth rate for the Chinese was 45.9, for the Japanese 28.5; the death rate for the Chinese was 20.4, for the Japanese 9.6. One possible explanation of this striking difference might be that the age and sex distribution of the Chinese and Japanese on the island is quite different, or that there were more Japanese men than women and that these were represented chiefly by middle-aged groups. But such an explanation breaks down in the face of the facts. There are in Taiwan 111 Japanese males per 100 Japanese females, as compared with 105 Chinese males per 100 Chinese females--too small a difference to account for the difference in birth rates. We have unfortunately no age statistics for Taiwan's population which distinguish between Japanese and Chinese population. However, the following calculation will throw some light on the age composition of the Japanese on the island: in 1937 the Japanese population of Taiwan constituted 0.41 per cent of the population of Japan proper, and Japanese children of school age in Taiwan amounted to 0.393 per cent of the children of school age in Japan proper. The proportion of Japanese juvenile population in Taiwan is therefore almost the same as in Japan. The only possibility of a significant difference in the age structure of the two groups may be that there are proportionately fewer aged Japanese in Taiwan than in Japan, but on the whole the age composition of the population approximates that of Japan."

4:Grajdanzev--30-31
116, 162, 165, 171, 563

S-4

(no date) 1942

Formosans-1-2

"The real explanation of the striking difference in birth and death rates is that the Japanese and the Chinese on the island form two separate groups, the living conditions and customs of which are completely different. But the figures reveal more than this. The birth rate of the Japanese in Taiwan is only slightly below that of the Japanese in Japan Proper, while the death rate of the Japanese in Japan is 17.0 (1937) and in Taiwan only 9.6 To some degree this may be explained by the fact that there are a smaller number of aged Japanese on the island, but this alone is not sufficient. It is well known that in the same population different social classes have different death rates. The social composition of the Japanese [31] on the island is such that they are better off than the Japanese in Japan, to say nothing of the Chinese in Taiwan, whose death rate is more than double that of the Japanese. The Japanese on the island live under better sanitary conditions, are better fed, have better medical treatment and more leisure than the masses of the Chinese. This does not mean, of course, that the death rate of the Chinese is stable: it is falling, and this fall, typical of all colonial countries similarly situated, is probably due to improved methods of combatting epidemic diseases.

Death Rates In Some Tropical Colonies
(per thousand)

	1911-13	1921-25	1926-30	1931-35	1937
Taiwan	...	24.0	22.0	20.6	19.3
Palestine	...	23.7	24.3	21.0	15.0 (1938)
Philippines	19.1	18.9	19.7	18.5	18.8
Ceylon	31.8	27.8	25.1	24.7	21.7
Straits Settlements	40.0	28.9	30.7	24.7	21.3

As regards mortality, Taiwan is in about the same position as other colonies, a fact which suggests that living conditions are comparable to those in any other colony named above."

4:Grajdanzev--31-32

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116, 167

"A few words should be devoted to the Chinese emigration from the island. In 1936 the number of the Chinese from Taiwan (i. e. Chinese born on Taiwan, subjects of Japan) living abroad was as follows:

Living in:

Manchuria	303	British Malaya	187
China	13, 492	Dutch East Indies	458
Hongkong, Macao	179	Other countries	138
Siam	92	Total	14,849

This number—about one-fourth of one per cent of the total population—is, of course, small. Taiwan itself was in the not distant past a colony to which emigrants from China flocked and, if it were not for restrictions introduced by the Japanese authorities, this movement would continue. The comparatively large number of Chinese from Taiwan residing in China is easily explained. Being Japanese subjects they enjoy extra-[32] territorial rights in China. This presents certain advantages and is in many cases very profitable. (1) In 1930 there were about 1,500 Chinese from Taiwan resident in Japan, mostly

1. The small number of Taiwanese residing abroad is explained chiefly by the fact that the government-general does not approve of natives going abroad; it fears possible political movements which the emigrants may start. All Taiwanese residing

4:Grajdanzev--31-32

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Formosans-2

116, 167

in China are under the strict supervision of the government-general.

students and rich persons but very few workers."

"Even in advanced countries occupational statistics are not precise, and in the colonies they are far less reliable. Nevertheless, if one wants to determine only the general characteristics of the population, occupational statistics for Taiwan reveal something. The following table divides the population into such broad categories as 'occupied in agriculture and forestry', 'occupied in industry and mining', etc. The division is given for the whole population and also, for the Chinese and the Japanese separately. The year taken is 1930, because no later figures are available, but it will be shown later that no great changes have taken place since that time. Unlike Korea, where the members of the family who do not take part in work are included in the same occupational group as that of the head of the family, in Taiwan they are registered as having 'no occupation'.

Occupational Statistics For Taiwan, 1930

(in thousands)

	Agricul- ture and forestry	Fish- ing	Industry and mining	Trade	Com- muni- cation	Public serv. & prof.	Others	No Occup.	Total
Japanese	4.4	1.6	15.2	18.1	9.1	37.6	4.5	137.7	228.2
Natives	1,191.7	26.8	144.2	151.0	49.8	37.4	67.6	2,645.1	4,313.6
Total (incl. others)*	1,197.1	28.6	173.6	178.3	63.1	76.0	73.4	2,802.4	4,592.5

* Includes 'foreigners', chiefly Chinese from China proper.

The same table is given below in percentages, taking the number of those occupied as 100. For the sake of comparison corresponding figures for Japan proper for the same year are given: [33]

Occupational Distribution Of Taiwan
(percentages, 1930)

	Agric. and Fish forestry	ing	Industry and mining	Trade	Com- muni- cations	Public serv. & prof.	Others	Total occu- pied
Taiwan								
Japanese	4.8	1.8	16.8	20.0	10.1	41.5	5.0	100.0
Natives	71.4	1.6	8.6	9.0	3.0	2.2	4.1	100.0
All, incl. others	67.0	1.6	9.7	10.0	3.5	4.2	4.1	100.0
Japan proper (1930)	47.7	1.8	20.0	15.1	3.7	6.9	4.5	100.0

In a condensed form this table indicates to us the most important problems of Taiwan. Taking the native population, we see that almost three-fourths are occupied in agriculture. Forestry as a rule serves only as subsidiary occupation to agriculture. At the same time only 8.6 per cent are occupied in industry and mining, and this also includes those occupied in domestic industries where the productivity of labor is almost as low as in Chinese agriculture. At the same time there are more persons occupied in trade in the broad sense than in industry (9.0 and 8.6 per cent respectively) while only three

4:Grajdanzev--32-34
116, 162, 171, 463, 563

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Formosans-3

per cent are occupied in transportation. This illustrates the low level of economic development of the country. In this respect comparison with Japan is interesting. Only a few decades ago Japan herself was at about the same stage of economic development as China. Now, we see that less than half of her population are engaged in agriculture and 20 per cent in industry and mining.

The occupational statistics prove once more that there are two distinct groups in the population; 41.5 per cent of the Japanese, as compared with only 2.2 per cent for the natives, are occupied in public service and the professions, i.e. they form the backbone of the administrative services of the island. We shall see later that only the lowest positions in these services are open to the Chinese. Almost 17 per cent of the Japanese are occupied in industry, and they occupy all the key positions. About 18 per cent of them are occupied in trade and 10 per cent in communications. Comparison with figures for 1905 indicates furthermore that no substantial changes have taken place since then. [34]

	Agric. and forestry	Industry and mining	Commerce and communic.	Public service	Other occupations
Chinese					
1905	75.5	6.1	8.2	1.4	8.8
1930	73.0	8.6	12.2	2.2	4.1

4:Grajdanzev--32-34
116, 162, 171, 463, 563

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	Agric. and forestry	Industry and mining	Commerce and communic.	Public service	Other occupations
Japanese					
1905	*	23.5	32.5	37.8	6.2
1930	*	16.8	30.1	41.5	11.6

* Included in 'other occupations.'

More than 75 per cent of the Chinese were occupied in agriculture in 1905, and 73 per cent in 1930; there was a slight rise in the number occupied in industry—from 6.1 to 8.6—and a more pronounced increase of those occupied in trade. As is well known, trade is the refuge of the unemployed and under-employed and its rapid growth as compared with other professions is hardly a sign of strength.

In twenty-five years the number of Japanese occupied in government administration rose from 37.8 per cent to 41.5 per cent. The fall in the percentage of those occupied in industry may be due to the fact that in the period from 1896 to 1905 very many Japanese were obsessed with the idea of making money in Taiwan in the shortest possible time. Since then the potentialities of the island have become better known, large business organizations have squeezed out the independent ventures. In any case these figures illustrating the changes in Taiwan in twenty-five years do not show that with the passing of time the occupational composition of the Chinese and of the Japanese of the island tends to become similar. If data were available for each occupation showing how many Japanese

4:Grajdanzev--32-34
116, 162, 171, 463, 563

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Formosans-5

and how many Chinese are in important executive positions and how many in subordinate positions, the gap would appear much wider. Unfortunately, direct data are not available, but we shall see later that there is no indication that the division is becoming less sharp."

"The problem of the aborigines will be treated briefly here, first because their life is a thing apart from that of the rest of the population, and secondly because this side of Taiwan's life is better presented in existing descriptions of Taiwan than [35] any other aspect of it, since European visitors to Taiwan were interested chiefly in the exotic savages and not in the Chinese."

"The Japanese took over from the Chinese the word 'savages' for the aboriginal tribes. At the end of 1938 the total number of aborigines was 155,900. However, only 95,400 of them are classified as 'savages' and are under the special, indefatigable supervision of Japanese police, the remaining 60,500 being 'civilized', that is, they are 'sinified', and in their outlook, customs, and occupation do not differ from the Chinese. The whole group of aborigines is divided into many tribes, among which the most important are:

Tribe	Population (in thousands) 1938
Taiyal	37.1
Saiset	1.6
Bunun	17.6
Tsuwo	2.3
Ami	50.9
Yami	1.8
Paiwan	44.5
Others	.1
Total	155.9

Many of these tribes show an increase in numbers, although much smaller than that of the Chinese on the island, but some are dying out."

4:Grajdanzev--35

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Formosan Aborigines

116, 174, 181, 609

"The aborigines formerly occupied the whole island, but in more than three hundred years of ceaseless war they were driven from the best lands. It is no wonder that they began to look on newcomers with suspicion and even hatred. But all who have had closer contact with them emphasize their good nature, open-heartedness, and other qualities which do not warrant the treatment they received first from the Chinese and later, from the Japanese."

4:Grajdanzev--35-36 S-4

(no date) 1942

Formosan Aborigines

116, 563, 657, 727, 177.56

Japan

636.56

"After their occupation of the island the Japanese took over the Chinese 'reservation' system for the aborigines and the territory inhabited by the 'uncivilized' tribes was surrounded by military outposts, (1) which kept constant watch over the [36] natives.

1. The fact that these outposts were manned by Japanese policemen and not by soldiers makes little difference, because at their stage of cultural development the aborigines could hardly appreciate the difference.

The latter understood only that the Chinese system would continue a system of incessant warfare in which finally they were the losers and their best lands were taken away."

4:Grajdanzev--36

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Formosan Aborigines

116, 166, 563, 657, 728, 177.56

Japan

636.56

"It is difficult to say whether they understood, at the beginning, even the change of the sovereignty. In any case the war continued. During the first years of occupation the Japanese, preoccupied with the suppression of Chinese rebellions, tried only to keep them within the reservation, but later a complete program of subjugation was worked out. Its essential feature was the removal of aborigines to low lands in order that the mountainous areas which they had occupied might be exploited. These areas were rich (or at least were thought to be) in timber, minerals and agricultural potentialities, for a certain part of the area could be sown with tropical plants."

4:Grajdanzev--36-37
116, 175, 721, 177.72
636.72

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Formosan Aborigines-1-2
Japan

"The process of subjugation proved difficult because the terrain was mountainous and covered with tropical jungles. Many times the regular army detachments were sent into the territory of the savages and returned without achieving anything; they lost men in ambushes and from illness, and in some cases the imperial troops were actually defeated by the savages, who knew the terrain perfectly. It became clear to the authorities that the aborigines could not be conquered by a frontal assault, and so they began a constant siege. No weapon was left unused in the struggle. Barbed wire for hundreds of miles surrounded the savages and, in the regions of the most 'difficult' aborigines, electric current was used to make the barbed wire fatal. But the savages soon discovered ways of overcoming this difficulty. After the World War bombing from airplanes was used against them, but without apparent success. Their arms were confiscated, but by paying exorbitant prices they managed to buy new ones from Chinese smugglers. Hatred between tribes was exploited and Japanese policemen would return in company with triumphant tribesmen who were carrying the heads of defeated enemies. Nevertheless, this policy failed, (1) and the reason for its failure was simple; the [37] Japanese could not or

1. Owen Rutter, a British colonial administrator, who is opposed to the 'pampering of the native' and who is a partisan of 'justice and firmness' in dealings with

4:Grajdanzev--36-37

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Formosan Aborigines-2

116, 175, 721, 177.72

Japan

636.72

the [37] natives. writes: 'I say that the Japanese have failed utterly, in their endeavors to solve the important question of bringing the natives under their influence.' Through Formosa, p. 233.

would not understand savages who were unwilling to give up their lands. Governor-General Sakuma, for example, starting his campaign in 1909 to make the savages a 'law-abiding people'—though they were quite law-abiding from their own point of view—compelled them to surrender their arms and had those who refused 'chastised'."

4:Grajdanzev--37
116, 224, 721, 177.17
636.17

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Formosan Aborigines
Japan

"But arms were necessary for the aborigines, not only to fight the Japanese, but also to hunt for food. The Japanese authorities may have been sincere in their desire 'to civilize' the savages, but civilization as they understood it meant the turning of hunters into cultivators of rice fields. From the warrior and hunter they were taking away his lands and his gun and were granting him a hen for egg production. Savage 'superstitions' were 'eradicated', but the savages were expected to believe in the Japanese goddess, Amaterasu Omikami, with her million deities and the Son of Heaven. The natural consequence of this 'civilizing' was war. This war with the savages cost 7,083 lives and more than 4,100 wounded. For the time being their resistance may be considered to have been overcome, but this has been due to overwhelming force, and not to the beneficent influence of rice fields and shinto shrines."

"Twenty thousand men with primitive tribal organization and primitive weapons could not resist indefinitely the machinery of a modern state with all its attributes. But the submission was unwilling and as late as October 1930, aborigines, several thousand strong, burnt the police stations in the district of Musha, seized arms, and occupied the town. In order to suppress this rebellion the Japanese were compelled to use a considerable military force. (1) The suppression cost the Japanese

1. 'October 1930' is given by the Japan Year Book, 1939-40; in the 1933 edition it is said that the revolt took place 'in the summer of 1929,' Which is the truth we do not know, for the affair was not made public until long after it took place. Since 1929 a sum of ¥ 60,000 has been spent annually on special guards in Musha district.

160 lives and the incident shows that if the aborigines [38] should see a favorable opportunity, further trouble may follow. Now a force of 5,000 guards 90,000 aborigines, of which probably not more than 20,000 are mature men, disarmed and separated into their various tribal units by government lines."

"The Japanese sources quote the following figures as proofs of their economic progress: in 1938 the aborigines produced 34, 079 koku of rice, they received ¥ 230, 253 for sugar cane raised on their fields, and ¥ 52, 713 for silk cocoons; they had 29, 247 pigs, 8, 142 water buffalo, 3, 964 cows, and 11, 766 goats. Eighteen thousand aborigines had deposits in post offices to the aggregate amount of ¥ 414, 000 (1937). Let us examine these figures: 34, 079 koku of rice for the population of 90, 000 give about 0.3 lb. of rice per person per day, less than one-third the average for Japan, and it should be remembered that rice is the aborigines' foremost crop. When the same division is made of the 29, 247 pigs and 11, 766 goats, there is little more than one sen per day per capita. If one takes into considera-[sic] crops on the average brought ¥ 13 per year per family, or less than one sen per day per capita. If one takes into consideration the fact that numerous tribal chiefs have many more pigs, goats, savings, etc. than the average native, one may understand the poverty in which most of these 'former savages' now live in the new conditions. Here lies the real cause of their rebellious spirit. They cannot exist on what they have. They have no choice but to work for the Japanese, and the Japan Year Book informs us that there are now 32 per cent of them who 'are able to understand Japanese to the extent of performing some simple work'. "

"It was mentioned above that an investigation of Taiwan's population statistics might throw some light on the population of China and that it is strange that demographers have not used the results of the six censuses that were taken on the island. We cannot analyse this question in detail here, but our results will point to some divergences from those obtained by Dr. Buck in his most extensive study of land utilization in China. (1)

1. J. L. Buck, Land Utilization in China, Chicago, 1937.

According to Buck's investigation, the average-sized [39] family in China is 5.3, with 6.3 persons per family in double-cropping rice areas. The following figures show that, contrary to the experience of most countries, the average size of family in Taiwan shows a tendency to grow:

	1905	1915	1920	1925	1930	1935
Persons per family:	5.2	5.3	5.2	5.5	5.7	5.8

Whether this increase is due to the improved technique of census-taking or to the change in the definition of family we do not know. If this increase really took place, it may be a symptom of deterioration of standards of living: young people cannot find employment, have no chance to establish their own homes, and are compelled to continue to live with their families.

4: Grajdanzev--38-40
116, 162, 171

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Formosans-2

Besides Taiwan, censuses were taken in Kwantung territory, (of South Manchuria) but they do not have the same value because the sex and age composition of the population there is not normal: many people are settling there without families, and leaving their wives and children in their native villages.

Comparison Of The Sex Ratios Of The Population (Men=100) (2)

2. In this and in the following tables the whole population of Taiwan and of Kwangtung, and not only its Chinese part, is taken, because no separate data are available, but this cannot make a substantial difference for Taiwan because there the Chinese make up 94 per cent of the total population.

	China, acc. to Buck	Taiwan census, 1935	Kwantung census, 1935
Women	92	96	66

It is clear that Kwantung is not normal in this respect, but comparison of Taiwan and China, as recorded by Buck, shows that females were probably underestimated in Buck's investigation: in Taiwan the difference in numbers is not great.

Age-Distribution Of The Population
(Percentages)

	China acc. to Buck	Taiwan census, 1935	Kwantung census, 1935
Under 10	25.0	31.1	22.0
10-19	19.3	20.4	19.6
20-29	17.0	17.3	23.6
30-39	13.8	12.3	15.8
40-49	11.4	8.3	9.7
50 and over	13.5	10.9	9.3
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

[40] Comparison of these columns shows that in Kwantung territory the age distribution of the population is not normal--there are too few children and too many adults in the age groups between twenty and thirty-nine, and therefore we omit Kwantung from further investigation. But a comparison of China and Taiwan suggests that children were underestimated in Buck's investigation.

Comparison Of Crude Birth And Death Rates (3)

3. The figures for Taiwan are averages for ten years (1927-36), and include the whole population. The corresponding figures for the Chinese population only (five-year average for 1933-38) are as follows: birth rate, 45.8; death rate, 20.6

Birth rates		Death rates	
China	Taiwan	China	Taiwan
(Buck)		(Buck)	
38.3	44.6	27.1	20.7

In Taiwan the death rate is lower and the birth rate higher than in China. The difference in respect of death rates is quite probable because the medical service in Taiwan cannot be compared with the more primitive conditions in China, but the lower birth rate in China is much less probable.

Birth rate per 1,000 married females, between the ages of 15 and 44 years is 207 in Buck's investigation, but for Taiwan in 1935 it is 297—a difference too great to be attributed to chance. All this demonstrates once more the importance of a study of Taiwan's censuses for those who are interested in the demography of China."

"In surveying agricultural conditions in Taiwan, we shall frequently make comparisons with Japan. The reasons for these comparisons are clear: Taiwan has for forty-five years been a part of the Japanese empire, and free movement of capital and, to some degree, of labor takes place between it and the mother country and it is part of the same monetary and banking system. The population which came under Japanese control was at about the same cultural level in 1895 as Japan herself ten to twenty years before. Its agricultural system, its ethics, religion, and literature resemble those of Japan, and therefore comparisons between the mother-country, and Taiwan, a colonial territory, are very instructive."

"We begin our investigation of Taiwan's economy with agriculture because the majority of the population are occupied in this field. First, let us examine the area under cultivation. In considering the figures given below, one should bear in mind the following fact: in Taiwan, as in other southern regions, in many cases two and even three crops a year are taken from the same field, and thus a distinction should be made between cultivated area and crop area. If each field produced two crops a year, then the total crop area would be double that of the cultivated area. Double cropping usually takes place on irrigated fields, although, if rainfall is evenly distributed from month to month, even dry fields can yield two crops. The growth of total cultivated area of Taiwan and of its irrigated area is shown in the following table: [42]

Cultivated Area Of Taiwan

(1,000 ko) (1)

1. Ko (in mandarin Chinese chia) is a local measure of area equal to 2.377 acres or 0.961 hectare.

Cultivated Area Of Taiwan [Cont.]

	Paddy fields producing one crop	Paddy fields producing two crops	Total paddy fields	Dry fields	Total
1900	...	...	200.7	157.5	358.2
1904	...	...	312.6	332.1	644.7
1909	...	...	337.8	344.7	682.5
1911	...	...	346.4	364.9	711.3
1916	...	...	358.8	379.7	738.4
1923	261.5	115.3	376.8	398.6	775.4
1933	313.1	147.4	450.5	395.0	845.5
1934	320.0	142.9	462.9	388.4	851.3
1935	322.2	141.3	463.5	363.2	856.8
1936	327.4	206.4	533.8	338.4	872.3
1937	332.3	212.1	544.4	338.8	883.3
1938	331.8	211.4	543.2	341.2	884.4

Source: for 1900. Nogyo nenkan, 1937; for 1938, Taiwan Jijo, p. 456.

The population of Taiwan is growing rapidly, and its agricultural population is very large. Under these conditions an increase of area under cultivation should be recognized as significant, and if the figures given above are correct, the cultivated area increased

116, 241, 311

2.47 times in thirty-eight years—a remarkable advance. But if we examine the figures, we find that between 1900 and 1909 the cultivated area increased from 358,200 ko to 682,500 ko, or by 36,033 ko every year, while between 1909 and 1938 the increase was from 682,500 ko to 884,000 ko, or only 6,940 ko every year. The greatest expansion therefore took place when the government did not even have complete control of the island, and only in 1908 did the administration work out a comprehensive scheme of irrigation. The explanation of this striking initial increase would appear to be that between 1900 and 1909 the Japanese government made a complete survey of Taiwan, and many lands were recorded which formerly did not appear in the official figures."

"The former Chinese government was exceedingly inefficient and taxes were often paid by the farmers on one ko, where [43] actually there were two. After the Japanese survey this became impossible. The 'striking success' of the Japanese government was largely administrative; for the farmers it meant only the trebling of the land tax. As Takekoshi writes: 'To be more exact, before the survey the total area of the fields and fish nurseries was believed to be 890,000 acres which yielded ¥860,706 tax. The result of the measurement . . . shows that the real area is 1,535,163 acres, and the receipts from the land tax have jumped up to ¥2,989,287.' (1) "

1. Op. cit., p. 130.

116, 161, 178, 241

"The average increase of area under cultivation by 7,000 ko each year must be compared with the annual increase of the population of 130,000 to 140,000 persons; for each ko increase in cultivated land there is an increase of twenty persons. It is thus quite evident that the increase of cultivated area is lagging behind the increase of population. The same idea may be expressed in another way: since 1904 the population of Taiwan increased 1.92 times. whereas the cultivated area increased only 1.37 times.

Improvement in the situation may be brought about (1) by cultivating areas now uncultivated; (2) by turning areas now producing one crop into double-crop areas chiefly through irrigation; (3) by increasing yields and substituting crops bringing high income per unit of area for crops bringing low income; (4) by shifting the population from agriculture to industry and importing foodstuffs to feed the growing population. Let us now consider these possibilities in turn, with the exception of the fourth, which will be examined later."

116, 311, 423, 435

"(1) A special investigation made by a government committee in 1923 estimated the cultivable area in Taiwan at 940,000 ko (900,300 hectares or 2,234,000 acres); another committee in 1929 estimated this area at 930,000 ko (893,700 hectares). (1) The area

1. Quoted by Takahashi, op. cit., p. 94.

cultivated at present is about 850,000 hectares or 23.8 per cent of the total area of the island, which is 3,576,000 hectares. If the estimates of the committees are [44] correct, then the cultivated area of Taiwan is approaching its maximum and only about 40,000 to 50,000 hectares remain to be turned into fields. We do not know what criteria the committees used in their investigations, but there are reasons to believe that their estimates are too low. Almost half of the total area of the island is territory of the aborigines, where fields are almost non-existent. It is true that this territory is mountainous and the cultivable area cannot be great, yet it should be considerably greater than 40,000 to 50,000 hectares. However, it is clear that the greater portion of cultivable land is already under the plough, so that the emphasis should be placed on other methods of increasing agricultural output.

This disparity between the growth of population and the growth of cultivated area has brought a sharp increase in land values. In 1914 one ko of good paddy land in the central

part of Taiwan province cost on the average ¥331; in 1925, ¥700; in 1937, ¥2,000. (2)

2. Ibid., p. 158.

Of course, the depreciation of the yen, the increase of yields and other factors also played a part in this increase, but the pressure of increasing population was probably also an important element."

4: Grajdanzev--44
116, 161, 433, 464, 471

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Formosans

"Two thousand yen per ko (2.4 acres) is an appalling [sic] price where the daily wages of a worker are about one yen per day, and it prevents the landless from having a chance to become owners of land. However, the phrase 'population pressure' is not used here in the Malthusian sense. The question is not one of food--the island produces twice as much as the islanders consume--but of employment. Openings in industry are few; independent industrial enterprise is almost impossible because a plant worth a few hundred or thousand yen cannot compete with a modern factory. The only occupation left is that of the farmer--a customary occupation for the majority of the islanders. The rise in land values is a symptom of the growing difficulty of finding employment, and not of a growing scarcity of food."

"(2) Irrigation combined with double cropping is another [45] way of increasing agricultural production. In 1937 one ko of dry field produced on the average eight koku of rice, while one ko of paddy yielded 14.9 koku in one crop or, where two crops were possible, 28.1 koku. (1) Irrigation almost doubles the crop while irrigation and double cropping

1. Figures are taken from Nogyo nenkan, 1939-40, pp. 647-648.

combined increase the yield three and a half times.

Data on the increase of irrigated area and of double-crop area were given in the preceding table. [See p. 42, category 116--analyst] Here we may point out that while in 1909 only 49.5 per cent of the total cultivated land was in paddy fields, in 1937 paddy fields accounted for 61.6 per cent of the total and, according to the same table, 37.6 per cent of the total cultivated area was yielding two crops. If this is true, then the crop area should equal 137.6 per cent of the cultivated area but in the official sources for 1937 the total area of all crops amounts to only 1,120,400 ko or 127 per cent of the cultivated area. A possible explanation of this divergence is that ten per cent of the area was fallow or growing green manure, but this is hardly probable."

4:Grajdanzev--45

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Formosans

116, 312, 471, 655, 177.31

Japan

636.31

"In any case the success in irrigation should be recognized as conspicuous, and it is not less striking that it was achieved with the relatively modest investment of about fifty million yen by the state since 1908. But the state has gradually withdrawn from the field, leaving irrigation works to private enterprise and to special irrigation associations. In 1937 the irrigated area was divided among three groups as follows: 140,500 ko were irrigated from the public canals, 132,000 ko from canals belonging to private persons, 259,000 ko from those of irrigation associations. The last are under the influence of landowners and of the owners of enterprises processing agricultural products."

4:Grajdanzev--45-46

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Formosans

116, 241, 651, 661, 177.24

Japan

636.24

"Beneficial as these irrigation works are, in many cases they curtail the farmer's freedom to select his crops. The government often compels the farmers to raise crops which they do not want to raise (as, for example, sugar cane). Takahashi tries hard to prove that this compulsion, which in Taiwan is [46] called simply exploitation (sakushu), is to their benefit, (1) but his arguments are not convincing.

1. Takahashi, op. cit., p. 280."

4:Grajdanzev--46-47 S-4
116, 171, 241, 454, 433, 177.24
 636.24

(no date) 1942

Formosans-1-3
 Japan

"(3) Increased agricultural production may also be achieved by raising yields per unit of area. Below we give a comparison of yields in Taiwan and in Japan, and in the case of sugar cane, the area of which in Japan is too small, a comparison with Hawaii and the Netherlands Indies; where conditions are similar to those in Taiwan, while groundnut production in Taiwan is compared to that of Kwantung.

Crop Yields In Quintals Per Hectare in Taiwan
 and Other Countries.

		1928-32 average	1933-37 average	1937
Wheat	Taiwan	8.7	9.7	10.7
	Japan	17.7	19.1	19.1
Barley	Taiwan	6.4	8.0	7.4
	Japan	19.9	20.6	20.9
Maize	Taiwan	11.3	10.8	11.6
	Japan	14.1	14.7	16.7
Rice	Taiwan	22.2	25.1	26.1
	Japan	35.0	36.8	38.6
Sugar cane	Taiwan	684.4	654.4* Four-year average 1933-36.	...
	N. E. I.	1,308.0	1,374* Four-year average 1933-36.	...
	Hawaii	1,349.4	1,515* Four-year average 1933-36.	...

4:Grajdanzev--46-47 S-4

(no date) 1942

Formosans-2

116, 171, 241, 454, 433, 177.24

Japan

636.24

1928-32 average

1933-37 average

1937

Soya beans	Taiwan	5.6	5.7	6.2
	Japan	10.0	10.0	11.2
Groundnuts	Taiwan	16.2	17.1	18.4
	Kwantung	19.0	20.7	...
Sesamum	Taiwan	3.5	3.9	4.2
	Japan	7.3	7.5	7.5

The yields per hectare of the most important plants in Taiwan's economy are therefore thirty to fifty per cent less than in Japan, or, in the case of sugar, in Hawaii or the Netherlands East Indies, and yet all available sources mention the fertility of the soil in Taiwan, while climatic conditions are at least as good as in Japan or the Netherlands Indies.

The explanation lies in the primitive methods of Taiwan [47] agriculture, including the slight use of fertilizers. Judging by the cultivated area and the number of farmers, the island should have at least 300,000 to 400,000 ploughs, but in 1929 (1) almost all (except

1. The last data available, Nogyo nenkan, p. 642.

18,315 'improved' ploughs for deeper ploughing and 614 of the European type) were of the

4:Grajdanzev--46-47 S-4
116, 171, 241, 454, 433, 177, 24
636.24

(no date) 1942

Formosans-3
Japan

primitive Chinese pattern. While in Japan proper an average of ¥170 to ¥180 per hectare is spent each year on commercial and home-prepared fertilizers, in Taiwan less than half that sum is spent for this purpose. These two examples—ploughs and fertilizers—for which quantitative data are available show clearly that Taiwan farming is under-capitalized, especially when we consider that the farmer is obliged to pay ¥2,000 per ko for good land.

This does not of course mean that there is no improvement in the agriculture of Taiwan. The government devotes much effort to increasing the productivity of the farms and the farmers are eager to respond. Yields are now higher than they were twenty years ago, as one may see from the tables given later in this chapter. But progress is slow. It is doubtful whether yields in Japan in 1895—the time of the annexation of the island—were higher than in Taiwan, whereas now they are considerably greater and relatively Taiwan is lagging further and further behind."

4: Grajdanzev--47-48

S-4

(no date) 1942

Formosans

116, 433, 435, 177.43

Japan

636.43

"Furthermore, as will be shown later, the results of the improvements which did take place brought most profit to landowners, traders and the Japanese administration. This may appear to be contradicted by the fact that the gross value of agricultural production in Taiwan for the last five years increased from ¥237.9 million in 1933 to ¥413.7 million in 1937 (seventy-four per cent), and if later data were available they would certainly be still higher. Unfortunately, we do not have at our disposal an index of agricultural prices in Taiwan (1). However, we do know that the average price of [48]

1. The general index of wholesale prices in Taihoku had increased, compared with 1933, by 33 per cent in 1937 and 58 per cent in 1938. Taiwan Jijo, 1939 pp. 606, 607.

rice for the same period rose from ¥14.98 per koku to ¥22.74, or by fifty-two per cent, and rice makes up about half of the gross value of agricultural production in Taiwan. In the same years population increased by only thirteen per cent. By deflating prices to the level of 1933 and dividing by an index of population, we find some evidence that production per capita was less in real value in 1937 than in 1933. How generally this is true is difficult to say because of the paucity and unreliable character of the data. But one thing is clear: no rapid rise in the per capita value of agricultural production has taken place in the last few years."

"Before we examine the progress that has been made in the production of the most important crops, let us try to evaluate their relative importance in the agriculture of Taiwan. The following table [See following slips, page 49 for table--analyst] gives their gross value for several years (1). It would, of course, be much better to have net

1. Only those products are given, the gross value of which is now over one million yen.

values, i.e. the gross value minus cost of materials, used in production, but these are not available.

This table reveals that Taiwan is an island of two main crops--rice, which accounts for more than half the gross value, and sugar cane."

4:Grajdanzev--48 141
116, 241, 439, 656, 177.45
636.45

S-4

(no date) 1942

Formosans
Japan

"Rice, as we shall see, is a cash crop; probably not less than two-thirds of the crop finds its way to the market. Sugar cane which constitutes from 12.2 to 19.3 per cent of the total, has special importance because the whole crop is marketed. Sweet potatoes and vegetables are chiefly for home consumption. Next in importance, in the order named, are tea, bananas, groundnuts, pineapples, tobacco, jute, and cassava. This almost complete dependence on rice and sugar cane is the result of government policy, as before 1905 the distribution of cultures was not so specialised. But now Taiwan has become a part of the economy of Japan and its function is to serve that country's needs."

:Grajdanzev--48 [31 S-4 (no date) 1942
16. 241, 311

Formosans

"Let us now see what part the same crops occupy in the sown area of Taiwan and
compare this data with gross value of production."



4:Grajdanzev--49-51
116, 241, 433

S-4 (no date) 1942

Formosans-1-5

"Gross Value of Agricultural Production in Taiwan
(Million yen)

	1921	1933	1935	1936	1937	1938
Rice	88.7	124.9	197.2	214.0	208.8	237.9
Sugar cane	38.9	29.0	55.2	54.4	64.3	78.2
Sweet potatoes	15.9	20.5	25.4	38.3	27.9	29.5
Bananas	5.9	5.7	6.6	6.8	8.1	10.0
Pineapples	.4	2.0	2.6	3.1	3.1	4.0
Groundnuts	1.9	2.3	3.5	3.9	4.1	3.9
Jute	.5	.8	1.8	1.4	1.5	2.5
Tea	4.0	3.9	6.4	7.4	10.3	9.2
Tobacco	1.0	.9	1.2	1.6	2.1	2.6
Cassava	...	...	...	...	1.4	1.2
Other cereals, beans, vegetables, fruits	12.5	15.7	20.1	11.4	27.2	26.3
Animal products	31.6	32.2	41.0	46.0	49.2	54.9
Total	201.3	237.9	361.0	388.3	413.7	460.2

As percentages of total

Rice	44.1	52.5	54.6	55.1	50.5	51.7
Sugar cane	19.3	12.2	15.3	14.0	15.5	17.0
Sweet potatoes	7.9	8.6	7.0	9.9	6.7	6.4

4:Grajdanzev--49-51

S-4

(no date) 1942

Formosans-2

116, 241, 433

	As percentages of total	1921	1933	1935	1936	1937	1938
Bananas		2.9	2.4	1.8	1.8	2.0	2.2
Pineapples		.2	.8	.7	.8	0.8	0.9
Groundnuts		.9	1.0	1.0	1.0	1.0	0.8
Jute		.3	.3	.5	.3	0.4	0.5
Tea		2.0	1.6	1.8	1.9	2.5	2.0
Tobacco		.5	.4	.3	.4	0.5	0.6
Cassava		...	...	...	...	0.3	0.3
Other cereals, etc.		6.2	6.6	5.6	2.9	7.9	5.7
Animal products		15.7	13.6	11.4	11.9	11.9	11.9
Total		<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

[50] Crop Area in Taiwan
(1,000 ko)

	1921	1933	1935	1936	1937	1938
Rice	510.8	694.4	699.7	702.7	678.1	644.8
Sugar cane	119.9	84.3	121.6	128.3	124.6	134.2
Sweet potatoes	124.5	138.1	142.5	144.5	143.3	138.7
Bananas	6.1	19.2	22.8	24.2	24.1	23.9
Pineapples	1.3	6.6	7.0	8.0	8.9	8.9
Groundnuts	24.4	30.7	31.5	31.7	32.4	32.1

4:Grajdanzev--49-51

S-4

(no date) 1942

Formosans-3

116, 241, 433

Crop Area In Taiwan [Cont.]
(1,000 ko)

	1921	1933	1935	1936	1937	1938
Jute	2.1	3.0	7.2	5.5	5.2	8.6
Tea	39.1	45.8	42.6	43.0	43.5	43.4
Tobacco	1.4	.8	1.1	1.3	1.5	1.7
All others	190.4	134.1	102.7	109.4	154.2	179.7
Total*	1,020†	1,159†	1,176	1,200	1,216	1,216

* Since the figures of total crop area are not available, the total was calculated in the following way: to the total cultivated area is added the double-crop area of paddy fields for each year. The line 'others' was secured by subtraction from the total.

Source: Nogyo nenkan, 1939-40, pp. 640, 647-652; for 1938, Takumu tokei.

† Approximate figures.

:Grajdanzev--49-51
16, 241, 433

S-4

(no date) 1942

Formosans-4

As percentages of total

	1921	1933	1935	1936	1937	1938
Rice	50.2	60.0	59.4	58.5	55.8	53.0
Sugar cane	11.7	7.3	10.3	10.7	10.2	11.0
Sweet potatoes	12.2	11.9	12.1	12.0	11.8	11.4
Bananas	.6	1.7	1.9	2.0	2.0	2.0
Pineapples	.1	.6	.6	.7	.7	.7
Groundnuts	2.4	2.6	2.7	2.6	2.7	2.7
Jute	.2	.3	.6	.5	.4	.7
Tea	3.8	4.0	3.6	3.7	3.6	3.6
Tobacco	.1	.1	.1	.1	.1	.1
All others	18.7	11.5	8.7	9.1	12.7	14.8
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

[51] Rice occupies a predominant position in this table also—from fifty to sixty per cent of the crop area is under rice—but here second place is occupied by sweet potatoes, while sugar cane is third. Then, in order of importance, come tea, groundnuts, bananas, pineapples, jute, and tobacco. It would be a mistake to conclude by comparing percentages of value and of area in the last two tables that rice, for example, is less profitable to cultivate in Taiwan than sugar cane, because in 1937 rice occupied 55.8 per cent of the

area and brought only 51.8 per cent in value, while for sugar cane the corresponding percentages were 10.2 and 16.0. Even if one ignores the cost of labor, one must take into consideration the following circumstances: the growth-cycle of sugar cane is eighteen months in Taiwan, while on more than half the area under rice two crops are taken yearly; sugar cane demands a greater amount of fertilizer, which must be purchased. These considerations suggest that the unwillingness on the part of the farmers to plant more sugar cane for sugar companies is probably due not only to the conservatism of the farmer, but is based on sound judgement. Again, the fact that the area under sweet potatoes is 11.8 per cent while the value is 6.9 per cent cannot be taken as proof that sweet potato culture is less profitable to the farmer than sugar cane. They are now consumed largely on the farm, and if the farmers were to reduce the existing acreage of sweet potatoes, their price would be quite different from what it is now."

4: Grajdanzev--51

S-4

(no date) 1942

Formosans

Japan

116, 243, 439, 177.43

636.43

"The unique position of rice in the economy of Taiwan justifies a more detailed discussion. Rice culture was important before the Japanese came to the island and rice exports to China were quite considerable. However, since the Japanese took control the production of rice has doubled in about a quarter of a century and more than half of the total production now goes to Japan. The credit for this achievement is usually given to the Japanese administration and the expansion has been taken as proof of the beneficent results of Japanese rule."

4:Grajdanzev--52

S-4

(no date) 1942

Formosans

116, 243, 311

"Below we give the data on rice production since 1905. Area under rice

(1, 000 ko)	1905	1915	1920	1925	1930	1935	1936	1937	1938	1939
Paddy	417	462	471	526	592	657	662	640	617	...
Dry field	44	44	45	42	41	42	41	38	28	..
Total	<u>461</u>	<u>506</u>	<u>516</u>	<u>568</u>	<u>633</u>	<u>700</u>	<u>703</u>	<u>678</u>	<u>645</u>	<u>646</u>
Yield per ko (koku)										
Paddy	9.7	9.8	9.7	11.7	11.8	13.3	13.9	14.0	15.5	14.2*
Dry field	7.7	6.4	6.1	6.9	8.8	8.7	8.4	7.7	7.8	
Crop (1, 000 koku)										
Paddy	4,016	4,503	4,567	6,154	7,010	8,759	9,213	8,937	9,599	...
Dry field	338	281	276	289	361	364	345	295	218	...
Total	<u>4,354</u>	<u>4,784</u>	<u>4,843</u>	<u>6,443</u>	<u>7,371</u>	<u>9,123</u>	<u>9,558</u>	<u>9,232</u>	<u>9,817</u>	<u>9,152</u>
Price (yen per koku)	6.6	7.8	22.5	25.2	14.6	21.6	22.4	22.6	24.2†	25.6†

* Average for both paddy and dry field.

† Approximate figures."

4:Grajdanzev--52-53
116, 243, 311, 656, 177.24
636.24

S-4

(no date) 1942

Formosans
Japan

"Thus from 1905 to 1920 the area under rice expanded slowly and the yield per ko showed no increase, while from 1920 to 1935 the area under rice increased by thirty-seven per cent and the yield per ko of paddy increased also by thirty-seven per cent. The explanation of this difference does not lie in Taiwan, but in Japan proper. After 1920 the leaders of the Japanese government became worried over the rice supply of the Empire. The rapid growth of population and the insufficiency of domestic production brought a sharp increase of rice imports from abroad. From the annual average of ¥16.6 million in 1913-17 Japan's imports of rice rose to an annual average of ¥72.0 million in the period 1918-22.

Besides the difficulty of balancing payments abroad, the government did not like this dependence on foreign supplies in time of war. A program for the increase of rice production in Japan proper, Korea and Taiwan was worked out and the necessary measures applied, such as the construction of dams and canals for irrigation purposes, the enlargement of the net-[53] work of agricultural experimental stations, the distribution of small subsidies to new producers of rice as well as to those who would produce new varieties of rice selected by the stations. The fact that these measures were quite effective shows not only the efficiency of the administration but also the ability of the Chinese farmers to act in response to economic factors."

4:Grajdanzev--53-54

S-4

(no date) 1942

Formosans -1-2

116, 243, 435, 458, 464, 177.43

Japan

636.43

"One of the important reasons for the stagnation of rice exports from Taiwan to Japan before 1922 was the unpalatable character of Taiwan rice. Through the efforts of the agricultural stations, however, a new kind of rice—horai rice—was introduced, which was acceptable to the Japanese consumer and had a higher yield than the native varieties. It commanded a lower price than the rice produced in Japan but a higher one than the local varieties. As may be seen from the preceding table [See p. 52, category 116--analyst] the average price per koku rose from ¥7.8 in 1915 to ¥22.5 in 1920. The latter year was one of post-War inflation, but 1925, a more normal year, brought an even higher price. On the basis of this rise in price and increase in acreage one might jump to the conclusion that the island farmers were much better off. Some of this increased wealth they would use to purchase Japanese manufactured goods and some to increase their own consumption of rice, so that both parties—the Japanese and the Chinese—would gain.

Japanese economists (1) share this view. In their opinion the opening of the Japanese

1. Especially Takahashi. He at one time was considered 'the brains of the Kwantung Army' and his works are widely known in Japan.

market to Taiwan rice brought a rise in the price of Taiwanese rice, especially after

4:Grajdanzev--53-54

S-4

(no date) 1942

Formosans-2

116, 243, 435, 458, 464, 177.43
636.43

Japan

the depression of 1929-32. The efforts of the government to raise prices, they say, were dictated by the difficult situation of the Japanese farmers. The level of rice prices in Japan was dictated by the costs of the Japanese farmers, and these prices brought wind-fall profits for the Taiwan farmers. It brought a rise in rice prices in Taiwan, increased wages and unwillingness on the part of some farmers to become workers in industry just because of these prosperous conditions. Industrialization of the island (which in the opinion of Takahashi is inseparable [54] from low wages) was retarded. Now the only way out is to introduce a rice monopoly in Taiwan in order to depress the price, using the resulting difference in Japanese and Taiwanese prices for budgetary purposes (2).

2. Takahashi, op. cit., pp. 73-87."

4:Grajdanzev--54-55
 116 243, 435, 655, 177.24
 636.24

S-4

(no date) 1942

Formosans -1-2
 Japan

"Space does not permit us to analyse the rice situation in detail. The table below shows the rapid process of displacement of other kinds of rice in Taiwan by horai.

Crop Area Under Various Kinds of Rice in Taiwan
 (In thousand ko)

	1905	1915	1920	1925	1930	1935
Common Taiwan rice	393	423	417	370	370	263
Glutinous, round	24	39	53	81	68	73
Glutinous, long	...	...	...	...	19	18
<u>Horai</u>	0	0	0	72	135	305
Total	<u>417</u>	<u>462</u>	<u>472</u>	<u>523</u>	<u>592</u>	<u>659</u>

Yields of Various Sorts of Rice in Taiwan were as Follows
 (1930-35 average)

	(koku per ko)
Common Taiwanese	12.1
Round glutinous	10.2
Long glutinous	11.7
<u>Horai</u>	14.6

As may be seen, the difference is quite pronounced—from 2.5 to 4.4 additional koku per ko, or an increase in yield of twenty to forty per cent as compared with other

4:Grajdanzev--54-55

S-4

(no date) 1942

Formosans-2
Japan

116, 243, 435, 655, 177.24

656.24

varieties.

But on the other side, the production costs of one ko of common rice in 1925 were ¥223.8, while for horai the amount was ¥342.0, and—what is also very important—whereas thirty-four per cent of the production costs of common rice consisted of the farmer's own labor, home-prepared fertilizers (which the farmer does not buy) etc., these costs in the production of horai amounted to only twenty-two per cent. In other words a much greater part of the expenses on horai consisted of sums paid for commercial fertilizers, etc. and as a result, the farmer does not receive so much profit from horai, but is compelled to plant it because he cannot sell his own [55] kind of rice in the Japanese market. The expansion of area under horai is therefore not so much a sign of prosperity, as it would at first sight appear, as a sign of the growing need of the farmer for money to pay taxes, to pay for irrigation, and to pay for the tobacco which he formerly produced himself (and is now a state monopoly). "

4:Grajdanzev--55
116, 243, 262, 435, 439

S-4

(no date) 1942

Formosans-1-2

"Of course, the inclusion of Taiwan—a region of low prices—in Japan's customs area of high prices should result in an increase of prices in Taiwan, but this does not mean that Taiwan's farmers were necessarily the gainers. All prices were raised and it is by no means certain that this rise benefited farmers and workers. We may find an indirect answer to this question by calculating the average per capita consumption of cereals in Taiwan. Rice is the principal food for the islanders, and all other cereals produced there amount to less than 0.5 per cent of the production of rice and, consequently, may be neglected. Import and export data are available and Japan may serve as the standard of comparison. To simplify matters we assume that the crop of a given year and the imports of that year are consumed in the same year.

Rice Consumption in Taiwan*

	Crop	Imports	Exports	Balance	Popula-	Annual per
	(1,000	(1,000	(1,000	(1,000	tion	capita con-
	koku)	koku)	koku)	koku)	(1,000)	sumption
						(koku)
1905	4,354	57	620	...	3,039.8	1.25
1910	4,187	43	648	3,582	3,250.0	1.10
1915	4,785	64	767	4,082	3,479.9	1.17
1920	4,842	160	619	4,383	3,655.3	1.20
1925	6,443	718	2,057	5,104	3,993.4	1.28

*Footnote on next page.

4:Grajdanzev--55
116, 243, 262, 435, 439

S-4

(no date) 1942

Formosans-2

Rice Consumption in Taiwan* [Cont.]

	Crop (1,000 koku)	Imports (1,000 koku)	Exports (1,000 koku)	Balance (1,000 koku)	Popula- tion (1,000)	Annual per capita con- sumption (koku)
1930	7,480	97	2,220	5,357	4,592.5	1.17
1935	9,122	7	4,493	4,636	5,212.4	.87
1936	9,559	7	4,788	4,778	5,452.0	.88
1937	9,233	7	4,842	4,398	5,609.0	.78
1938	9,619	15	4,878	4,756	5,747.0	.83
1939	9,152	8	4,106	5,054	5,880.0	.86

* In calculations made for the compilation of imports and exports before 1930 one koku of rice is taken as equal to 2.7 piculs.

Sources: for 1930-39: Keizai nenkan; for 1905-25: for production, Takahashi, op. cit.; for trade, Nippon boeki seiran. The last column is calculated."

4:Grajdanzev--56

S-4

(no date) 1942

116, 171, 262, 439, 511, 177.43

636.43

Formosans -1-2

Japan

"Taiwan is famous for its rice production of which it exports almost half. The opinion of Japanese economists is that exports of Taiwan's rice to Japan brought to the island such prosperity that some measures had to be taken to curb it. But the data presented in this table [See page 55--analyst] show quite a different picture. In 1905 the annual per capita consumption of rice in Taiwan was about 1.25 koku. Then it fell, but an increase in production brought it back to that level in 1925. At about that time the heavy exports of Taiwan's rice to Japan started: These exports brought a sharp fall in per capita consumption—it fell to 0.87 in 1935 and has remained on about the same level since that time. Now, 0.87 koku per year is about 0.8 pound per person per day. It was pointed out that the production of other cereals in Taiwan is almost nil. Only sweet potatoes form a significant addition to the diet (more than one lb. per person per day). Some wheat flour is imported but this amounts to only two to three per cent of the exports of rice (by weight).

These figures are for the total population. But the urban dwellers are probably better off than the farmers, so that the average for farmers should be less than 0.87 koku. Exports of rice from Taiwan to Japan cannot therefore be taken as a sign of Taiwan's prosperity, for they resulted in a fall in standards of living for the Chinese in Taiwan. Data for the last five years show that the annual average consumption of rice in Japan is about 1.10 koku, while in Taiwan it is 0.84. In other words, per capita consumption of rice in

4:Grajdanzev--56

S-4

(no date) 1942

Formosans-2

116, 171, 262, 439, 511, 177.43

Japan

636.43

Japan is thirty-one per cent higher than in Taiwan, though the Japanese consume in addition considerable amounts of wheat, barley, and other cereals, which are almost entirely absent in Taiwan, to say nothing of sweet potatoes."

4:Grajdanzev--56-57 S-4
116, 241, 439, 441, 655, 177.43
636.43

(no date) 1942

Formosans
Japan

"The price ruling on the Tokyo market is, however, not the price which the farmer in Taiwan receives. Between him and the Tokyo or Osaka market are landlords, usurers, a chain of local dealers in rice, big Japanese importers and exporters, and Japanese shipping companies. Each one of them makes profits, [57]and good profits, so that little remains for the farmer, and especially the tenant-farmer.

However, the advice of Takahashi and others fell on fertile ground and, beginning with November 1, 1939, the export of rice from Taiwan to Japan became a government monopoly. The government-general decides how much rice should be produced, works out a plan of exports for each month, buys rice from the special local organizations, and sells it to a Japanese company, Nippon Beikoku Kabushiki Kaisha (Japan Rice Corporation). The other suggestion of the Japanese economists concerning the lowering of the price of rice in Taiwan may also be attempted, though it will be difficult to realize in a time of war inflation and rice shortage in Japan."

4:Grajdanzev--57

S-4

(no date) 1942

Formosans

116, 249, 474, 177.24

Japan

636.24

"The culture of sugar cane and the development of the sugar industry is considered one of the most spectacular achievements of the Japanese administration in Taiwan. Here we shall discuss only the culture of sugar cane; the sugar industry as such will be examined later in the section on industry. Sugar cane is an indigenous culture and was not introduced into Taiwan by the Japanese. The Dutch found it there in the 17th century and encouraged it. Before the advent of the Japanese it was produced by Chinese producers' cooperatives, which well deserve a special investigation because of their original character. They not only raised sugar cane, but also extracted the sugar in their old-fashioned mills. The industry had so developed that in 1893, ninety-eight million pounds of sugar were exported and probably not less than that amount was consumed in Taiwan, so that total production may be estimated at about 200 million pounds. This amount was not reached again until twenty years later. (1) With the coming of the Japanese the guerilla

1. Japanese sources say that at the time of Japan's occupation of Taiwan the annual output was only about 80,000,000 kin (104 million pounds). This can hardly be true if in 1893 exports alone equalled 98,000,000 pounds. In 1880 exports equalled 141.5 million pounds.

war continued for several years and ruined the industry."

4:Grajdanzev--57-59 S-4

(no date) 1942

Formosans-2

116. 249, 439, 654, 177.24

Japan

636.24

"At the time of annexation the Japanese [58] government was anxious to improve their 'unfavorable' balance of trade with foreign countries, and the cultivation of sugar cane in Taiwan appeared to be an excellent means of doing this. Japan's imports of sugar at that time were in excess of twenty million yen—about ten per cent of her total imports, and at times equal to the 'unfavorable' balance of trade. Sugar cane is grown in Japan, but climatic conditions and limited area make it impossible to increase the total production significantly. At the most it can supply only a small percentage of the domestic demand for sugar. But Taiwan with its tropical climate could be successfully used for this purpose.

As early as 1896 seeds of improved types of sugar cane were imported from the Hawaiian Islands. In 1898, Kodama, the Governor-General of Taiwan, and his energetic Governor Goto began conferences with Japanese financiers on the question of investment in the sugar industry of Taiwan. A special investigation of the outlook for sugar cane culture in Taiwan was entrusted to Dr. Inazo Nitobe, who presented his report in 1901. In this report Dr. Nitobe recommended that the irrigated area and the area under cultivation be increased through various measures of encouragement, assistance, and direct government action, the establishment of sugar research stations, and the introduction of improved varieties of sugar cane, while other recommendations were made concerning sugar manufacture. The government followed these recommendations, established experimental

4:Grajdanzev--57-59

S-4

(no date) 1942

Formosans-2

116, 249, 654, 439, 177.24

Japan

636.24

stations, imported new varieties of sugar cane from Hawaii and Java, and paid special subsidies and grants to the manufacturers and farmers to induce them to follow its policy. Up to March 31, 1932, it had paid about thirteen million yen in subsidies. Moreover, in 1903 a relatively moderate protective tariff on sugar imported into the Japanese Empire was introduced, the rate being 0.8 sen per kin (0.6 kg.) on No. 20 standard and higher. This rate was increased to 4.65 sen per kin in 1911 on No. 21 standard and higher, to 5.3 sen in 1927 on No. 22 standard and higher, and to 7.15 sen in 1932. As a result—this is the official version—wealth came to the sugar [59] industry and to the island 'and this has resulted in the present industrial prosperity'."

4:Grajdanzev--59-60

S-4

(no date) 1942

Formosans-1-3

116, 249, 311

"The area under sugar cane, the cane crop, and yield per ko were increasing in Taiwan as follows:

	Area (ko)	Cane crop (in million kin or 600 metric tons)	Yield per ko (in 1,000 kin or 600 kg)
1905-06	35,158	1,690.2	48.1
1908-09	39,035	2,219.5	56.9
1914-15	85,150	3,933.8	46.2
1917-18	150,450	6,817.5	45.3
1919-20	108,376	4,382.5	40.4
1920-21	142,032	6,752.8	47.5
1921-22	123,233	7,793.7	63.2
1926-27	101,531	7,412.0	73.0
1927-28	108,318	9,697.6	89.5
1928-29	120,046	12,291.9	102.4
1929-30	109,397	11,618.4	106.2
1930-31	99,094	10,944.7	110.4
1931-32	109,496	13,415.2	122.5
1932-33	83,690	8,782.0	104.8
1933-34	91,163	8,883.8	97.4

4:Grajdanzev--59-60

S-4

(no date) 1942

Formosans-2

116, 249, 311

	Area (ko)	Cane crop (in million kin or 600 metric tons)	Yield per ko (in 1,000 kin or 600 kg)
1934-35	121,628	13,477.3	110.8
1935-36	128,329	13,190.4	102.8
1936-37	124,555	14,271.9	114.6
1937-38	134,208	15,101.1	112.5
1938-39	149,834*	19,602.1*	130.8

* There are reasons for questioning the data for 1938-39. If they are accurate, the acute shortage of sugar in Japan in 1939-40 is hard to explain. Japanese official figures for the rice crop in 1939 were also extraordinarily optimistic in spite of drought, but it is hard to understand why it was necessary to import rice hurriedly from foreign countries, wasting scarce foreign exchange if there was such an abundance of rice at home. The story is the same with sugar. Why was it necessary to introduce sugar ration cards cutting the average per capita consumption in half, if there was a tremendous increase in production? The estimates for 1940 reveal a sharp fall.

In 33 years the area under sugar cane increased almost four times, total production twelve times, and the yield per ko 2.7 times.

4:Grajdanzev--59-60

S-4

(no date) 1942

Formosans-3

116, 249, 311

In 1939 the Japanese Empire occupied seventh place (1) among [60] producers of sugar

1. Others in order of importance were Cuba, India, U.S.S.R., Germany, U.S.A., Java.

and fourth place among producers of cane sugar. The Japanese sugar industry became a factor of world importance. It is true that Japan exports very little sugar, but her absence from the world market as a purchaser is of considerable importance."

4:Grajdanzev--60-61

S-4

(no date) 1942

Formosans-1-2

116, 249, 433, 458, 654, 177.24

Japan

636.24

"There can be no doubt as to the importance of sugar cane cultivation and of the sugar industry in Taiwan and the degree of success achieved by the Japanese government and Chinese cultivators.

However, a close examination of the table [See page 59, category 116--analyst] reveals some interesting features. It was pointed out how much effort was expended by the officials on the improvement of sugar cane culture. But in spite of all the efforts of the government and of the experimental stations the yield per ko did not show any signs of improvement during the first fifteen years. If the development was as steady as is officially described, why then was the increase of production up to 1921 taking place exclusively as a result of the increase in the planted area?

Further, the increase in sugar production may also come through the increase of sugar content in the juice of the sugar cane. It is interesting to note that in this respect too, little, if any, improvement is noticed up to 1922, but that after that year the sugar content rose from 9.5 per cent in 1922 to 13.2 per cent in 1935 and in this year was considerably higher than in Java or Cuba (12.3 and 11.6 per cent respectively). Finally, the table shows that after the peak of production (and area) was reached in 1917-18, production fell, then rose slowly up to 1928-29, fell sharply by almost thirty per cent and then began to rise again.

4:Grajdanzev--60-61 S-4

(no date) 1942

Formosans-2

116, 249, 433, 458, 654, 177.24

Japan

636, 24

The explanation of these fluctuations is that the Taiwan sugar industry (and, as a consequence, also the cultivation of sugar cane) passed through several crises of the most severe character. 'Overproduction' is a word familiar to this industry, and to the planters also. Of course, it must be emphasized that this 'overproduction' is of a special character, because the consumption of sugar in Japan is relatively low and, though physically the demand of the population for sugar [61] is not satisfied, there is insufficient purchasing power available to buy it.

All this is very important for the problem in hand. The government's efforts were probably as great from 1900 to 1922 as afterward, subsidies were given more lavishly than later on, but the results in the first twenty years were rather meagre. In other words, the development was due not so much to the government's and the manufacturers' efforts as to some other factors inherent in the development of the economy of Taiwan and Japan. "

4:Grajdanzev--61

S-4

(no date) 1942

Formosans

Japan

116, 249, 423, 471, 177.47
636.47

"The old type of sugar cooperatives dominating the industry before 1895 disappeared with the advent of capitalistic forms of enterprise in Taiwan. Production of sugar is now carried on in modern mills which are the property of the Japanese sugar companies possessing tremendous amounts of capital (several hundred million yen). Step by step these companies acquired a huge area of cultivated land—from 63.2 thousand ko in 1925 this area increased to 93.2 thousand ko in 1935. The latter figure amounts to more than ten per cent of the cultivated area of the island, but in the regions where sugar cane is cultivated the companies own more than twenty per cent of the area under cultivation (1).

1. Actually their influence is greater than these figures suggest because they rent about 20,000 ko of land.

However, it would be a mistake to think that this huge area is used by the manufacturers for sugar cane plantations. They plant only about 18,000 to 25,000 thousand ko with cane, while all other sugar cane is bought by them from the small farmers, i. e. about three-quarters of the total sugar cane production is supplied by 127,000 to 130,000 farmers, each planting on the average only half a ko."

4:Grajdanzev--61-62 S-4 (no date) 1942

116, 241, 435, 452, 477, 655, 177.47

636.47

Formosans-1-2

Japan

"It is said that there are conflicts between farmers and manufacturers because of the price, and there are also many complaints by the manufacturers that the farmers do not follow their instructions, and yet the manufacturers prefer dealing with thousands of farmers to producing all of the sugar cane themselves. The explanation is simple: it is cheaper to buy from the farmers, not only because the cultivation of [62] sugar cane is a sideline occupation for the small farmer from which he is glad to get even a small reward, but also because of the special regulations imposed on the farmers. No sugar mill can be established without official permission. Simultaneously with licensing, the area from which the new mill may buy sugar cane is allocated. It is not permitted to buy outside this area, and the farmers are obliged to sell their sugar to this mill only. For each mill there are on the average 3,000 farmers and thus there is competition between farmers inside the area, but a monopoly for the buyer. Of course, the farmer is free to sell or not to sell; to plant sugar cane or not. But, as we shall see, he has actually little choice in the matter.

The manufacturers have developed and perfected a system of advances to the farmers which deprive them of freedom in such matters. In 1935, for example, about fifteen million yen were paid out in advances. The total value of sugar cane in this year was fifty-five million yen, about one-quarter of which was produced on plantations and about

4:Grajdanzev--61-62 S-4 (no date) 1942

116, 241, 435, 452, 477, 655, 177.47

636, 47

Formosans-2

Japan

forty-one million yen worth on the tiny plots of the farmers. Thus at least thirty-seven per cent of the value of sugar cane was paid in advance. We say 'at least' because fifty-five million yen represents the official value of sugar cane in that year, though the price which the farmer gets may be much smaller than that on which the official estimate is based. It is clear that the farmer gets money in advance only because he is in need of it, and has no money of his own. Since the crop period for sugar cane in Taiwan is eighteen months, the farmer is not free in his economic decisions throughout this period."

4:Grajdanzev--62

S-4

(no date) 1942

Formosans

116, 241, 477, 427

"More than 110,000 ko of land are under control of the companies which for the most part they lease to the tenants. As will be shown later there is strong competition between tenants in Taiwan, and if the company does not supply the tenant with land, he may be ruined. He must therefore get land from the company and raise sugar cane on the conditions dictated by it."

4:Grajdanzev--62-63

S-4

(no date) 1942

Formosans

116, 241, 312, 471, 177.24

Japan

636.24

"By putting irrigation works at the service of the farmers (at a price) the government, the local bodies, and the companies [63] impose a condition that a certain part of the newly-irrigated area should be devoted to sugar cane. This stipulation may be to the advantage of the farmer or to his disadvantage, but it is clear that he is not free to decide."

"Although we have no reliable data concerning the profitability of sugar cane in Taiwan as compared with other crops, we can make certain calculations which will help us to see what the farmer gained from its cultivation. The average holdings of farmers did not increase after 1913 and therefore a larger income in these circumstances could be secured in only two ways—through an increase in yield or a rise in the price of sugar cane or both. The improved yields came as a result of the use of better seedlings, earlier ploughing, more careful attention, greater use of fertilizers, better irrigation. Some of these items demand more labor on the part of the farmer; almost all demand a greater expenditure in money. Let us now compare the receipts of the farmer per ko.

Receipts of Sugar Cane Cultivators in Taiwan

	1921	1927	1935	1936	1937
Yield per ko (1,000 kin)	63.2	89.5	102.8	114.6	112.5
Price per 1,000 kin (yen)*	9.6	7.6	3.4	4.1	4.5
Value per ko (yen)	696.7	537.0	349.5	469.9	506.3
Value per ko at 1913 prices, yen (approximately)	330.0	310.0	220.0	290.0	270.0

* For 1921-27 for the price 'the cost of raw material for manufacturers of sugar in Taiwan' is taken (Takahashi, op. cit., p. 216); for the later years. the price as it is given in the value of total production of sugar cane in Nogyo nenkan; the actual price is probably smaller.

Great accuracy cannot be claimed for these figures but they may give an idea of the trend. The yield since 1921 was doubled, but the receipts in deflated money do not show any improvement. This may be partially due to the fact that the general index of prices should not be used to deflate values in this case; a special index of prices paid by the farmer might show somewhat better results. But the expenditures which the farmer now incurs in order to secure these increased yields—fertilizers, irrigation, etc.—were not deducted, and if they are taken into consideration, one is forced to the conclusion that some one other than the farmer got the benefits of the better yields. "

4:Grajdanzev--64

S-4

(no. date) 1942

Formosans -1-2

116, 241, 435, 477, 651, 177.65

Japan

636.65

"Let us now investigate another aspect of sugar cane production. Takahashi, in his book on the economy of Taiwan, (1) points out that as a result of the protective duty on

1. Taiwan Keizairon.

sugar, the Taiwanese farmers receive a subsidy which amounted in 1937 to ¥802.9 per ko. Takahashi arrives at this figure in a simple way: he multiplies the amount of customs duty per kin by the number of kin of sugar contained in the yield of sugar cane from one ko. All this is a fallacy. Let us compare the following figures:

Some Data on the Question of Protection of Sugar-Cane

	Culture in Taiwan	1921	1927	1937
A. Sugar content (%)		9.5	10.3	14
B. Yield of sugar cane per ko (1,000 kin)		63.2	89.5	112.5
C. Sugar content of cane per ko (1,000 kin)		6.00	9.22	15.74
D. Value of cane per ko (yen)		696.7	537.0	506.3
E. What the farmer supposedly gets per kin of sugar content (in sen) (D:C)*		11.6	5.9	3.2
F. Protective duty per kin of sugar, standard No. 22 (in sen)		4.7	5.3	7.2

* As was mentioned above, the price in the text is based on the official estimates of the value of the crop, though the farmer probably gets a considerably lower price.

4:Grajdanzev--64

S-4

(no date) 1942

Formosans-2

Japan

116, 241, 435, 477, 651, 177.65

636.65

But here we are interested in the trend of the prices and not in their absolute size.

In 1921 the farmer received 11.6 sen for each kin (0.6 kg.) of sugar content, in 1927 only 5.9 sen and in 1937 3.2 sen, while the protection of sugar in the Japanese empire was increasing (in 1921 it was 4.7 sen per kin, in 1927 5.3 sen, in 1937 7.2 sen). The purpose of the duty, clearly, is not so much to protect the 'poor farmer', as to safeguard the monopoly profits of the sugar companies."

2

"As with rice it is interesting to note the per capita consumption of sugar in Taiwan. Although almost ninety-five per cent of the sugar output is exported, per capita consumption of sugar in Taiwan was 15.9 kin in 1938, as compared with [65] 23.5 kin in Japan. In other words Japan's consumption is forty-three per cent higher than Taiwan's (1).

1. These figures are taken from Keizai nenkan, 1940, of Toyo keizai shimposha, pp. 205, 206."

4:Grajdanzev--65

S-4

(no date) 1942

Formosans

116, 245, 177.24

Japan

636.24

"Tea is an old Taiwan crop brought by the Chinese emigrants from Fukien. It was flourishing before the coming of the Japanese and in 1893 about twenty-one million pounds of tea (about sixteen million kin) were exported. It is largely a plantation culture and is now almost completely in Japanese hands, but exports under Japanese rule have not shown improved results. The total area under tea is 45,000 to 46,000 ko. In 1927 the Mitsui Gomei Kaisha alone held 17,000 ko of tea plantations and the Taiwan Takushoku Seicha Company 1,000 ko (1). Japanese plantation holdings are now probably much larger.

1. Yanaihara, op. cit., p. 34.

Tea plantations, which are chiefly in Taihoku and Shinchaku prefectures, occupy hill slopes and generally do not compete with other agricultural plants for area."

"Tea" produced in Taiwan is chiefly of three sorts—black tea, oolong tea (famous for its aroma) and pouchong tea 'wrapped'—paochungch'a. Production is as follows:

Production and Exports of Tea in Taiwan

Quantity (1,000 kin = 600 kg.)

	1914	1934	1935	1936	1937	1938
Oolong tea	...	5,292	5,280	5,049	3,487	4,519
Pouchong tea	...	5,666	5,685	5,923	4,905	5,929
Black tea	...	6,021	5,490	6,508	10,562	9,835
Total production, incl. others	22,000*	16,997	16,468	17,486	18,955	20,285
Exports		16,641	15,768	16,741	18,604	19,057

Values in thousand yen

	1934	1935	1936	1937	1938
Oolong tea	3,562	3,538	3,571	2,871	3,715
Pouchong tea	3,075	3,086	3,394	3,163	3,677
Black tea	4,250	3,964	4,518	7,418	6,844
Total Incl. others	10,894	10,594	11,486	13,452	14,237
Exports	11,047	9,325	10,200	12,851	12,742

* Approximately

Sources: Keizai nenkan; Nogyo nenkan; Taiwan Jijo.

4:Grajdanzev--65-66

S-4

(no date) 1942

Formosans-2

116, 245, 439, 511

[66] Average production for the last five years was 18,038,000 kin, average exports
17,362,000 kin. "

"Average consumption [of tea--analyst] in Taiwan was 676,000 kin or one-eighth of a kin per capita—not much for a tea-drinking nation and for a tea-producing island. In Japan the average annual per capita consumption of tea for the same period was 0.76 kin, (1)

1. The figure is calculated from the data on tea as given in the International Yearbook of Agricultural Statistics, 1939.

or five times as much as in Taiwan. "

"Another important product is the banana. The tree is indigenous to Taiwan, but only under the Japanese have bananas become an important export item. The growth of production may be seen from the following table:

	1909	1921	1935	1936	1937	1938
Area (thousand ko)	0.6	6.1	20.6	22.5	21.9	21.5
Production (million kin)	10.5	86.2	322.5	339.5	364.3	336.8
Exports (million kin)	...	...	231.9	228.7	261.3	222.5
Value of exports (million yen)	...	...	10.2	11.2	12.3	17.6

As the figures show, a considerable portion of the crop is consumed in Taiwan—18.5 kin (11.1 kg.) per person per year, a fact which may be partially explained by the perishability of the fruit. The total value of bananas produced in Taiwan in 1937 was estimated by authorities at ¥8,133,000, but exports comprising only about two-thirds of the crop for the same year, were valued at ¥42.3 million, which means traders and carriers were getting more than half the value of exports.

This export is very likely to develop farther. Production is concentrated in Taichu, Tainan, and Takao prefectures. In Taichu the fruit is produced all the year round, but in Takao it ripens only from April to July."

4:Grajdanzev--66-67 S-4
116, 245, 255, 464, 471, 177.24
 636.24

(no date) 1942

Formosans
 Japan

"Pineapples were cultivated in Taiwan before the occupation of the island by the Japanese, but only after the introduction of canning did the industry begin to expand rapidly. The fruit is raised on the hill slopes and thus does not compete with [67] cereals or sugar cane. The authorities estimate that more than 20,000 ko can be used for pineapple plantations, but the area under cultivation is now only 9,000 ko. Data on production are given below.

Pineapple Production in Taiwan

	1921	1935	1936	1937	1938
Area under pineapples (1,000 ko)	1.3	7.0	8.0	8.9	9.9
Crop (1,000,000 kin)	8.9	87.1	110.2	107.8	116.0
Value (1,000 yen)	367	2,626	3,129	3,115	...
Value of exports of (¥1,000)					
canned pineapples	865	7,306	5,857	7,600	10,620*

* Exports of canned and fresh pineapples.

Sources: Nogyo Nenkan; for 1938, Taiwan Jijo.

Production, chiefly of the plantation type using hired labor, is chiefly in Japanese hands."

4:Grajdanzev--67-68

S-4

(no date) 1942

Formosans

116, 248, 433, 656, 177.24

Japan

636.24

"As will be seen, cotton does not occupy an important place in Taiwan's economy. But it does play an important part in Japanese imperial policy. As was mentioned, the Japanese authorities did not spare efforts to encourage the production of sugar cane and rice in Taiwan, not because it was in the interests of the island, but because it benefited Japan proper. Since 1927 the sugar industry has suffered from overproduction and in 1935-36 another spectre appeared on the Japanese horizon--the overproduction of rice. A discussion began as to how the production of rice in Taiwan might be limited. A rice monopoly was suggested and was later applied, but for a somewhat different purpose. Instead of rice, the authorities proposed to encourage the production of textile fibers and oilseeds in Taiwan and, partly owing to the shortage of foreign exchange in time of war, more attention was given to cotton than to anything else. A plan was worked out for the production of 100 million kin of cotton at the end of the ten-year period beginning with 1937, on an area of 100,000 ko, i.e. more than ten per cent of the cultivated area of the island. The first year's crop (according to the Japan Year Book, 1939-40 [68] is estimated at about 6 million kin, or, already six per cent of the goal. We do not know on what the data of the Japan Year Book are based, but in Taiwan Jijo, published in December 1939, the plan provided for an area of only 50,000 ko in 1946 and the production of only 35 million kin. According to the same source, there were 4,800 ko under cotton in 1938 and the crop was 1,816,983 kin--as one may see, very far from 6 million kin. The average yield was 2.26 quintals per hectare--a low figure for a region of intensive agriculture."

4:Grajdanzev--68
116, 231, 492, 177.23
636.23

S-4

(no date) 1942

Formosans
Japan

"Although it has been said that Taiwan is well stocked with domestic animals and fowls, this requires some qualification. The animals bred are for draft purposes and for production of foodstuffs. In Taiwan either the water buffalo or some type of cow is used for draft purposes. Horses, donkeys and mules are almost entirely absent. The immigrant from Fukien had no place for the horse in his economy, but the Japanese government, in its efforts to supply the army with horses, worked out a ten-year plan and a thirty-year plan for Taiwan. According to the first, the number of horses was to be increased to 9,000; according to the second presumably to be applied simultaneously, the number of horses was to be raised to 110,000 head. In a region where rice occupies sixty per cent of the area, horses cannot be used for work and it is hardly conceivable that the poor farmers of Taiwan will begin to raise Arabian and Anglo-Norman horses as the plan foresees (1). The actual number of horses in 1938 was rather more than 300 while forty

1. Taiwan Jijo, p. 479; figures for the plans are taken from Sekai Nenkan, 1939.

years ago there were two hundred to three hundred horses."

4: Grajdanzev--68 [2]

S-4

(no date) 1942

Formosans

116, 241, 471, 656, 177.65

Japan

636.65

"These examples--the cotton plan and horse-breeding plan--are extremely significant. The government officials work out plans which can hardly be called realistic and yet the successes of agriculture in Taiwan are very frequently ascribed to the government's efforts and plans."

4:Grajdanzev--68-69

S-4

(no date) 1942

Formosans -1-2

116, 231, 492, 171

"The draft animals in Taiwan are the water buffalo and, second in importance, the 'yellow cow'. The water buffalo [69] is a strong animal, slow in movement, which likes to wade in water, and is satisfied with coarse fodder. Its meat is not very palatable. The yellow cow is less powerful but more alert, and its meat is much better than that of the buffalo. Milch cows in Taiwan are few in number—in 1938 they were estimated at 1,275. No statistics of the number of cows and buffaloes of working age are available, but the following total figures will suffice to show the trend (in thousands):

	1921	1932	1933	1934	1935	1936	1937	1938
Water buffaloes	307.9	286.3	302.2	306.9	305.8	292.3	282.1	259.7
Cows of all kinds	113.6	80.4	84.0	88.0	84.7	78.6	76.3	65.4
Total	421.5	366.7	386.2	394.3	390.5	370.9	358.4	325.1
Cultivated area (1,000 ko)	773.8*	839.7	845.5	851.3	856.8	872.3	883.3	884.4
Area per head of draft animals (in ko)	1.83	2.29	2.19	2.16	2.19	2.35	2.46	2.72

*1922.

The average number of ko per head of draft animals is therefore increasing and unless the quality of the buffalo is improving remarkably, the situation is becoming less and less

favorable. (1) Though official sources speak about improvement in the quality of pigs and

1. It is important to note also that the number of females among the draft animals is falling sharply: in 1921 there were 158,000; in 1933, 140,000; in 1937, 127,000.

horses, they are silent concerning the buffalo. In this respect Taiwan is worse off than the Philippines or the Netherlands Indies. In the table only cultivated land was taken into consideration; the crop area is in fact larger, and was growing faster than the arable area, so that the situation is actually worse than the figures suggest."

"Official sources say that there is about one animal per farming family. (1) But this

1. Taiwan Jijo, p. 478.

is inadequate. According to the official statistics for 1937, the number of farming families was 427,397. If we take this figure (it was mentioned above that the actual number of families should be larger) for 1938, then only 0.76 animal was available for each family, if only farmers had cows [70] and buffaloes. This figure includes calves, is also an average figure, and it will be shown later that the wealth of the farmers, at least as expressed in land, is not concentrated around the average. The important conclusion which follows is that at least half the farmers in Taiwan have no draft animals, but are compelled either to work without them or to hire them from the richer farmers. Those who are acquainted with rural life know that dependence on one's neighbour for plough animals is likely to create very serious problems."

116, 171, 231, 249

"The number of other animals in Taiwan may be seen from the following table (in thousands):

	1921	1932	1933	1935	1937	1938
Sheep	...	0.3	0.3	0.4	0.3	...
Goats	...	90.1	87.0	78.3	70.4	...
Pigs	1,281	1,754	1,807	1,873	1,849	1,827
Poultry	4,452	5,267	5,747	6,466	7,703	7,947
Geese	190	306.3	319.6	370.8	401.5	394.2
Ducks	890	1,379	1,496	1,772	1,958	2,225
Turkeys	...	9.2	11.2	18.5	30.8	35.3

As regards pigs and poultry the situation is more favorable: there was a considerable increase in pigs, poultry, geese, and ducks. On the average there are four pigs (including sucklings) and eighteen to nineteen hens per farming family (assuming that only farmers keep pigs and fowl). These are an important source of meat and income. (1) The develop-

1. The official estimate of an average per capita pork consumption of more than 28 kin a year (37 pounds) is probably an exaggeration. In 1938 one million pigs were killed. If consumption per capita averaged 28 kin, each pig must have weighed 160 kin, but the official estimate of the average weight is 130 kin. ment is a consequence of the growth of the sugar industry—the cane waste can be utilized

4:Grajdanzev--70

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Formosans-2

116, 171, 231, 249

on the farm as fodder. In this respect Taiwan is much better off than Korea. But one should not exaggerate the importance of these figures. It was officially estimated that in 1937 the gross value of products of animal breeding in Taiwan was ¥49.2 million or slightly more than twelve per cent of total agricultural production."

4:Grajdanzev--70-71

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Formosans

116, 231, 177.23

Japan

636.23

"The government also expends much effort in encouraging sericulture. Its experts point out that conditions in Taiwan [71] are very favorable for this industry: the mulberry tree has leaves the year round, there are no pests as in Japan, and production costs are low. But the farmers do not seem to take willingly to this occupation, for in 1933 the value of raw silk produced in Taiwan was ¥74,000 whereas in 1937 it had fallen to ¥50,000."

4:Grajdanzev--71

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Formosans

116, 171, 241, 311, 433, 511, 177.24

Japan

636.24

"It is worth while to observe that in our investigation of agricultural production in Taiwan the figures analyzed were averages, and no question was raised as to whether these averages may be considered representative. The one-sided development of agriculture was emphasized, especially the cultivation of rice and, to a lesser extent, of sugar cane. It is known that one-sided development of agriculture results in soil exhaustion unless sufficient quantities of fertilizers are used, but it was shown that the application of fertilizers is practised on a much smaller scale than in Japan. It was shown also that cultivation is on a low level, yields are low, technique is backward, the draft animal supply is insufficient and per capita consumption of cereals is considerably lower than in Japan.

The expansion of rice production which took place was due chiefly to the increase of the irrigated area and to the increase of acreage from which two crops can be obtained —largely through irrigation and improvement of fields. In the production of sugar cane considerable success has been achieved in increasing the yield and sugar content of the cane. However, in the production of both rice and sugar cane the farmers received a disproportionately small share of the gains."

4:Grajdanzev--72

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Formosans

116, 127, 421

"In many cases it has been shown that the Taiwan official statistics are not entirely satisfactory. But the problems which we shall now discuss, important though they are, are given much less attention in the available official sources. These questions are: how many farmers own their land and how many rent it; how is the land distributed among the landowners and among the cultivators."

"First of all, the total number of those occupied in agriculture should be known. It may be given as the number of families—the easiest and perhaps the best way for certain purposes, because in countries where agriculture is the most important economic activity it is usually the family which works as a unit. Another way is to give the number of active persons occupied in agriculture. This method is good for comparison with the number of persons occupied in other economic fields where the family does not play any part in production, but its application to agriculture encounters certain obstacles: it is not easy to determine the number occupied because some members of the family are only partially employed in agriculture and some only seasonally (e.g. children in harvesting). Finally, the total number of persons dependent on agriculture may be given—farmers and members of their families not occupied elsewhere. Current statistics in Taiwan use the first and the last methods; they give the number of families occupied in agriculture and the 'agricultural population'. The census statistics give the number of persons actively occupied [73] in agriculture or, as it is often expressed, the number gainfully employed in agriculture. Unfortunately, these statistics are not consistent. It was shown above that, according to the census of the population taken in 1930 (the latest in which the question of occupation was asked), 71.4 per cent of the Chinese and 67 per cent of all the population gainfully employed were occupied in agriculture and forestry. But forestry as a principal occupation gives work to very few; it is mostly a sideline occupation for the

4:Grajdanzev--72-73

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Formosans-2

116, 127, 162

farmer, and its part in the economy of Taiwan is very small. If one takes into consideration the fact that the families in rural localities have more children per family than families in the cities, then the 'agricultural population' in Taiwan should constitute about 70 or 75 per cent in 1930. Since that date no revolutionary changes have occurred. "

116, 162, 463, 472

"Industry has expanded relatively rapidly, but even in 1935 there were only 67,255 workers in industrial enterprises employing more than four workers each or having a prime-mover. Nevertheless, according to the current official statistics which follow, 'agricultural population' of Taiwan formed only about fifty per cent of the population in 1938.

Changes in Agricultural Population in Taiwan

	1935	1937	1938
Total families (1,000)	897.6	...	...
Families occupied in agriculture (1,000)	419.9	427.4	...
Agricultural families as % of total	46.7	...	...
Total population (1,000)	5,212.4	5,609.0	5,747.0
'Agricultural population' (1,000)	2,790.3	2,880.4	2,896.4
'Agricultural population' as % of total	53.6	51.3	50.4

As early as 1935, according to this table, the families occupied in agriculture made up only 46.7 per cent of the total, while the agricultural population made up 56.3 per cent in that year and only 50.4 per cent in 1938. According to the census statistics, in the 25 years between 1905 and 1930 the Chinese population occupied in agriculture fell

4:Grajdanzev--73-74

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Formosans-2

116, 162, 463, 472

only from 75.5 per cent to 73 per cent of the total Chinese population, while the current statistics show a fall of 3.2 per cent (of the total population) in three years. Even before 1935 the number of [74] agricultural families showed a definite lag as compared with the growth of total population, as may be seen from the following table.

Comparison of Changes in Total Population and in Agricultural Families in Taiwan*

Total population			Agricultural families		
Year	(1,000)	Index of growth	Year	(1,000)	Index of growth
1905	3,039.8	100	1903	383.1	100
1925	3,993.4	131	1924	390.2	102
1930	4,592.5	151	1929	407.7	106
1935	5,212.4	171	1935	419.9	109
1937	5,609.0	185	1937	427.4	111
1938	5,747.0	189	1938	424.5	111

*The years given for each category do not always coincide because of absence of data: we have taken the years for which the information could be found.

In thirty-three years the population of Taiwan increased by eighty-nine per cent while on the basis of these figures the number of families engaged in agriculture, increased

4:Grajdanzev--73-74
116, 162, 463, 472

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Formosans-3

by only eleven per cent. Such changes are of course quite possible. The agricultural population might send its 'surplus' to cities, where they may find employment in industry, commerce, public services and so on. But as was mentioned already, the number of workers in industry was very small in 1935 and there is no indication that it has increased considerably in the last three or four years. The difference between sixty-five and fifty per cent is, in absolute numbers, about 900,000 persons, or between 500,000 and 550,000 gainfully employed persons--quite a considerable figure for even a great country."

"Let us now consider some indirect evidence. In 1938 the urban population (i. e. of towns and cities having 10,000 and more inhabitants), made up 35.8 per cent of the total and the rural population 64.2 per cent. But in Taiwan, just as in China and Japan, towns with a population of 10,000 to 30,000 are mainly agricultural. Only cities with 50,000 inhabitants and over have few farmers (chiefly producers of vegetables on the outskirts of the city). In 1938 the population of the cities of over 50,000 in Taiwan amounted to 17.2 per cent. Thus [75] there is nothing in these statistics that contradicts our assertion that the agricultural population of Taiwan must amount to at least 65 per cent of total. But if one accepts the official figure of 50 per cent, it means first that there are no farmers in towns and cities with populations above 10,000, and secondly that about one-quarter of the rural population are not farmers, which seems hardly probable."

4:Grajdanzev--75
116, 162, 178, 421, 651

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Formosans

"According to official statistics the number of payers of the agricultural land tax increased from 2,099,000 on January 1, 1938, to 2,112,000 on January 1, 1939—an increase of 13,000. How can this increase be explained when the number of families engaged in agriculture fell by 2,900? We must therefore conclude, either that official statistics are inaccurate, or that a rapid proletarianization of the agricultural population is going on. It may be—although this is only a hypothesis—that the official statistics do not include sub-tenants, a very numerous class in Taiwan. But whatever the cause, the statistics give a distorted picture of land relations on the island."

4:Grajdanzev--75-76
116, 311, 421, 427, 565

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"Let us now turn to the investigation of the problem of tenancy. Its economic importance lies in the fact that (1) a large portion of the farmer's income is paid out for rent on land, and (2) the farmer is less interested in preserving the fertility of the land and in making improvements, because the land does not belong to him and may be taken from him at or even before the expiry of the lease. From the social point of view the phenomenon of tenancy is important in that it often creates an idle class of landlords or rich farmer-owners and a class of poverty-stricken tenants. The widespread existence of tenancy makes average figures for the agricultural population meaningless because on the extreme there are rich landlords and on the other poor tenants. In order to be able to judge more or less correctly the importance of tenancy we should know: (1) the number of farmer-owners, part-owners (i.e. those who own some land, but are compelled to rent additional acreage), and tenants; (2) the area which is farmed and the amount owned of that farmed by each of these groups; (3) the division of each of these groups into at least three [76] sub-groups—large, medium, and small—in order to see whether each of these groups is uniform since, for example, the tenant who rents one ko and the tenant who rents 50 ko belong to quite different groups; (4) the conditions of the rent. The available statistics for Taiwan throw light on but few of these elements."

4:Grajdanzev--76-78 S-4
116, 114, 178, 423, 427, 177.42
636.42

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Formosans-1-4
Japan

"The division of families occupied in agriculture into owners, part-owners and tenants may be seen from the following table: (1)

1. Here and in the following tables the official figures of families occupied in agriculture are used, though, as was pointed out, they are probably under-estimates. The statistics of landowners in Taiwan should be more or less correct because the land is surveyed and change of title involves a complicated procedure. The statistics may be incomplete only as regards tenants and agricultural workers (which they omit completely), and if one takes these into consideration one comes to the conclusion that official statistics probably give a brighter picture than is justified.

Division of Agricultural Families in Taiwan
(thousands)

	1932	1933	1935	1937	1938
Owners	132.2	129.4	132.1	131.1	130.2
Part-owners	119.3	121.7	128.4	134.8	135.6
Tenants (2)	152.4	155.0	159.4	161.5	158.7
Total	<u>403.9</u>	<u>406.1</u>	<u>419.9</u>	<u>427.4</u>	<u>424.5</u>

Footnote (2) on next page.

4:Grajdanzev--76-78 S-4
116, 114, 178, 423, 427, 177.42
636.42

(no date) 1942

Formosans-2
Japan

Division of Agricultural Families in Taiwan [Cont.]
(thousands)

2. Those who have read Japanese Rule in Formosa by Yosaburo Takekoshi may be astonished to discover that there are tenants in Taiwan. Takekoshi wrote in 1905 ' . . . The tenants [in Taiwan, after the reform by the Japanese administration] came to enjoy the absolute ownership of the land they or their ancestors have been farming for three centuries. Such a change certainly amounted to a social revolution. Most of the revolutions recorded in history required sacrifices, but the present one was entirely bloodless. This change has given the tenant absolute ownership, thus insuring securing of property. . . .' (p 132). But what Takekoshi described as a social revolution, was actually only a very modest reform: the government abolished the rights of the taiso--owners who had only doubtful title to land. This reform made transfer of real estate more secure and paved the way for Japanese penetration.

As percentages of total

Owners	32.7	31.9	31.4	30.7	30.7
Part-owners	29.6	29.9	30.6	31.5	31.9
Tenants	37.7	38.2	38.0	37.8	37.4
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

4:Grajdanzev--76-78

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Formosans-3

116, 114, 178, 423, 427, 177:42

Japan

636.42

Source: Takumu Tokei, 1938.

[77] As this table shows, about forty per cent of all farmers in Taiwan own no land at all and must rent it from landlords and farmer-owners; about thirty per cent have plots so small that they are compelled to rent land, and barely thirty per cent of the farmers till only their own land. These figures are striking. Taiwan does not know rich tenants of the British type. Those who rent land are mostly poor farmers, but even those who cultivate their own land, are not all rich. As to the relative changes, there is a noticeable fall in the percentage of owners in six years--from 32.7 per cent in 1932 to 30.7 per cent in 1938. For the same period the percentage of tenants is the almost the same (37.7 and 37.4 per cent respectively), while the percentage of part-owners rose from 29.6 per cent to 31.9 per cent. It would seem that the farmer-owners are gradually losing their position and sinking to the level of tenants, but a six-year period is not a sufficiently long time to ascertain definitely whether such a trend exists.

However, it is not only the number of owners and tenants which is important, but also the area which they respectively till. Statistics of area are divided into only two categories—owned and rented.

4:Grajdanzev--76-78 S-4
116, 114, 178, 423, 427, 177.42
636.42

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Area Owned and Rented in Taiwan in 1932
(1,000 ko)

	Dry fields		Paddy		Total	
	Area	%	Area	%	Area	%
Owned	230.2	60.0	132.2	33.3	362.4	46.5
Rented	153.8	40.0	264.0	66.7	417.8	53.5
Total	<u>384.0</u>	<u>100</u>	<u>396.2</u>	<u>100</u>	<u>780.2</u>	<u>100</u>

Source: Nogyo Nenkan, 1939-40, p. 641.

In 1932 the area cultivated by owners constituted 46.5 per cent, the area rented by tenants 53.5 per cent. But it is important to emphasize that owners cultivated chiefly dry land while the tenants cultivated paddy. Paddy brings much higher yields than dry fields; in 1937 the average yield of rice per ko of paddy was about 14 koku while that per ko of dry land was only 7.8 koku, and, further, many paddy fields [78] produce two crops a year. In other words, one ko of paddy yields, on the average, more than twice as much as one of dry land, so that the tenants produce about sixty-five to seventy per cent of the total crop of Taiwan on rented land, and the owners not more than thirty-five to thirty per cent."

"As to the distribution of land between landowners by size of holdings, we have figures for 1930 and partial figures for 1932. We shall divide the farmers into four groups: (1) landowners with holdings of less than half a ko (less than 1.2 acre); (2) landowners with holdings of half a ko to one ko; (3) landowners with holdings of one ko to five ko; (4) those with holdings above five ko (above 11.9 acres).

Distribution of Landowners by Size of Holdings, 1930

Size of landholdings (ko)	0-0.49	0.5-0.99	1.0-4.99	5.0 and over	Total
Number (1,000)	172.9	86.7	122.4	23.1	405.1*
Percentage	42.7	21.4	30.2	5.7	100.0
Area (1,000 ko)	41.0	62.5	258.6	359.2	721.3
Percentage	5.7	8.7	35.8	49.8	100.0
Average area per holding (ko)	0.42	0.72	2.1	15.5	1.78

* It is important to note that the number of owners as given here is considerably greater than the number shown in more recent statistics. For 1932 the earlier figure was 340,674, whereas the current statistics (Takumu Tokei, 1938, published in 1940) give the number of owners and part-owners for 1932 as only 251,300; this is another indication of our point that the current official statistics probably understate the number of those occupied in agriculture.

Source:Ibid.

We see from this table that 42.7 per cent of the owners are decidedly small owners: their average holding is only 0.24 ko or less than 0.6 acre. They cannot exist on such a strip of land but must rent some land from rich landowners. In other words, almost half of the landowners are such in name only; they have enough land only for a house, a yard, and a kitchen-garden. Another 21.4 per cent of the owners are in a better position but not much better. Thus 64.1 per cent of the total number of landowners in Taiwan in 1930 had on the average less than 2.4 acres each. At the other end of the social scale, 5.7 per cent of the landowners owned 49.8 per cent of land, [79] or one-half of the total cultivated area. We may go farther and say that 126 persons (or corporations), 0.05 per cent of the total number of landowners possessed 94,072 ko—or 13.1 per cent of the total cultivated area. (1) Only thirty per cent of the owners are in the middle category. As regards

1. These figures are probably now out of date. In Kabushiki Kaisha Nenkan, 1940, five sugar companies and one canning company are listed as owning 81,634 ko of land in Taiwan.

the distribution of land among owners, Taiwan is a country of contrasts. Rich owners, although outnumbered eleven times to one by small owners, had nine times as much land. Thus on the average a rich owner had one hundred times more land than one in the first

two groups. This is extremely important for it shows that the farmers in Taiwan are divided into groups of unequal economic strength with extremes prevailing, so that the situation of the masses of the agricultural population is less satisfactory than the average figures calculated above would suggest. The Japanese government has not solved this question in Japan proper and it has not solved it during forty-five years of its administration in Taiwan."

"The situation in the latter [80] country as regards land distribution is worse now than it was several decades ago and the large holdings are growing.

Distribution of Farmers and Land Tilled and by Size of Farms, 1930

Size of farms cultivated (ko)	Less than 0.5	0.5-0.99	1.0-1.99	2.0-4.99	5 and over	Total
Number of farmers(1, 000)	128.0	96.9	100.4	78.9	19.0	423.2*
Per cent	30.3	22.9	23.7	18.6	4.5	100.0
Area of land tilled (1, 000ko)	33.7	69.7	143.2	236.1	208.6	601.3
Per cent	4.9	10.1	20.7	34.2	30.1	100.0
Average for groups (ko per farmer)	0.26	0.72	1.43	2.99	11.0	1.63
Average in acres per farmer	0.62	1.71	3.39	7.11	26.15	3.87

*In Nogyo nenkan, 1940, from which we quote, the total is 433,300 but this appears to be a misprint. Even so, it is less than the total should be because, as was shown in the preceding table, there were in the same year 405,181 owners and the number

4:Grajdanzev--79-80

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Formosans-2

116, 241, 361, 427

of tenants was not less than 150,000. In other words this investigation evidently covered only a part of the cultivators. This is proved by the figures of the area of land cultivated.

Source: Ibid. "

"The figures given above refer to landownership. But the owners of small plots may increase their holdings by renting land. Some economists see the chief advantage of tenancy in the fact that it permits a capable farmer to get as much land as he is able to utilize. We give above the statistics of the size of the farms as actually operated in 1930 [See p. 79, category 116--analyst].

The picture is about the same as that of ownership. More than 30 per cent of the farmers till on the average less than 0.5 ko each (0.62 acres); 53 per cent till on the average less than one ko (less than 1.71 acre) and 77 per cent of the farmers till less than 2 ko (less than 3.39 acres). But 4.5 per cent tilled 30 per cent of the total area, while 579 farmers (or corporations) tilled 66,410 ko. There are therefore a considerable number of very large plantations in Taiwan, chiefly of sugar cane, bananas, pineapples, and tea. These are figures for 1930 and it is quite possible that even then the investigation did not cover all farmers. (1)

1. An indirect proof of this is that a similar investigation made in 1932 covered 340,000 farming families as compared with 405,000 in 1930.

Since 1930 the plantation area has increased sharply, so that the picture should be by now even less favorable. We have no statistics of land ownership by nationalities, but it is well known that all, or almost all, plantations belong to big Japanese companies.

4:Grajdanzev--80
116, 241, 311, 427, 565

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However, it is clear that among Chinese farmers too, there is a sharp division in respect to landownership—there are wealthy Chinese owners, who though few in number, are very important by virtue of the power they wield."

4:Grajdanzev--80-82

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116, 427, 466, 675, 177.42

Japan

636.42

"The tenancy contract in Taiwan, as it was a few years ago, had the following features:
(1) (1) It was a short-term contract—for the most part for one year only and cases were

1. For a more detailed description see K. Takahashi Gendai Taiwan Keizairon,
pp. 293-303.

frequent where the landlords broke the contract before its expiry. It is possible for them to do this because the tenants are more numerous, there is stiff competition among them, and they cling to the plots which they are able to secure. There have [81] been cases when the term was six years and even ten years (opening of new land or reclaimed land), but these were exceptional. (2) It was almost exclusively an oral contract and in case of conflict the landlords were more successful than the tenants in securing their own interpretation of it. (3) The landlord usually received security from the tenant in money or in kind, amounting to from forty to sixty per cent of the rent, deposited with the owner at the time the contract is made. No interest is paid on this amount. This deposit represents a heavy additional burden on the tenants, who, as a rule, have no cash and are compelled to borrow the money at high interest rates while they themselves do not receive any interest on it. In many cases this results in sub-tenancy—a rich farmer renting land and sub-letting it to poor tenants.

4:Grajdanzev--80-82

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Japan

116, 427, 466, 675, 177.42

636.42

Through the efforts of the government these general features were somewhat changed. The government policy was as follows: (1) the term of tenancy should be five to six years or more; (2) if, after the expiry of the contract, the contracting parties do not denounce the contract within six months, it must be regarded as automatically renewed; (3) in time of crop failure the rent is to be reduced by mutual agreement; (4) in case of arrears (without a justifiable reason) or misuse of soil, the contract may be voided by the landowner; (5) no transfer of land by the tenant can be made without agreement and approval by the landowner; (6) changes in the form of the plot and other changes influencing the productive capacity of the land must be approved by the landowner; (7) if improvements are approved by the landowner, he must bear the expenses of the improvements fully or in part; (8) no contract may be declared void before expiry without sufficient reasons; otherwise compensation must be paid; (9) disputes are to be settled by special arbitration committees.

It is unwise to attach too much importance to these government efforts, however good their purpose may be. True, in 1935 sixty-eight per cent of all area leased was leased under written contracts, while in 1938-39 the percentage had risen to 76.6 per cent. Arbitration committees are established, as well [82] as societies of landowners and tenants, the purpose of which is to bring social peace to the relations between the landowners and tenants as well as to effect a change in the ideology of the farmers. Money

grants from the government-general are made to aid these societies and officials appointed to direct them. But all this does not touch the core of the problem. The problem of tenancy is not to secure the tenant in his lease for one year, or how to distribute the costs of improvements, as this touches chiefly the misuse of power by the landlord. With a secure contract for three or five years, the tenant must still pay the rent, and he has no assurance that the lease will be extended after expiry of the contract. The policy states that in case of crop failure the rent should be reduced by mutual agreement, but in Taiwan it used to be customary for the farmer to pay the rent whether the crop failed or not, and there is no guarantee that this custom will not form the basis of the 'mutual agreement'. In this agreement there is no equality between the opposing parties. The same should be said about the arbitration committees--everything depends upon the degree of influence of the landowners in these committees."

"Nothing appears in the formulated [government--analyst] policy concerning the decrease of rent. According to an investigation by the government-general in 1927, rent amounts to about 27 to 29 per cent of the crop from dry fields, 43 to 45 per cent from paddy when one crop is taken each year, and 49.3 per cent in case of two crops. The low figure for dry fields is more than suspicious, for if the figures of the investigation are correct, the tenant cultivating the dry land is in a better position than the tenant of paddy with two crops.

Comparison of the Position of Tenants on the Best Lands
in Taiwan, 1927.

Average figures	Dry field (yen)	Paddy with two crops (yen)
Value of crop (per ko)	366.4	517.7
Rent	100.5	255.7
Balance	265.9	262.0

It is well known that the amount of labor required to till one [83] ko of paddy with two crops is several times greater than the amount of labor necessary to cultivate one ko of dry field, and it is strange that the tenant of the dry land is at the end of the year in a better position than the tenant of the paddy."

"Rent is paid chiefly in kind, though payment in cash is spreading. Where two crops are raised, a proportion of 7:3 is usual, i.e. the tenant pays seventy per cent of the rent from the first crop and thirty from the second. Rents in Taiwan are somewhat lower than in Japan, and Takahashi attributes this to the greater investments in the form of land improvements in Japan as compared with Taiwan."

116, 241, 361, 427

"Let us now consider the economy of the tenant. We saw that the tenants and semi-tenants make up about sixty-nine per cent of all the agricultural families. From the table on page 79 it appears that seventy-seven per cent of the farmers (the first three groups) cultivate on the average 0.75 ko each. These two groups should coincide approximately. "

116, 241, 427, 511, 556

"We have no recent figures of tenancy conditions but, according to an investigation made in 1927, the position of the average farmer-tenant appeared as follows (on land of average quality in paddy with two crops a year):

	yen
Value of crop from 0.75 ko	325
Rent	160
Balance	165

Thus his reward for his and his family's labor for the whole year was ¥165, minus the expenses of production apart from labor. From this sum house taxes, indirect taxes, etc. must be paid. This income of ¥165 may be compared with the income of a landowner who had 15.5 ko (the average for the upper group of landowners) and leased all this land to tenants. His yearly income would be ¥2,480.

These conditions may not exist now, since the above figures refer to 1927. Official sources do not give new figures, but a few calculations show that the situation has not greatly changed. As has been shown, the proportion of tenants to the total number of farmers has increased since that time, so [84] that competition among them must be stiffer, and there is no reason to expect that rents are lower. The value of two crops of rice from 0.75 ko of paddy in 1937 averaged ¥515 but prices general in 1937 were at least thirty per cent higher than in 1927. All this suggests conditions of poverty among the tenants and the position of even the majority of so-called owners may be not much better."

4:Grajdanzev--85

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116, 221, 226, 433, 471, 177.22

636.22

"Fishing, which did not demand an elaborate equipment, was an important auxiliary occupation for the Chinese farmers, especially in slack seasons. The sea around Taiwan is rich in fish and the Chinese are expert fishermen. It is natural, then, that fishing has become an important element in the economy of the coastal farmers. But at the time of their conquest of Taiwan the Japanese were not interested in the fisheries because at that time the seas around Japan proper and near Kamchatka had not been sufficiently utilized. Petty regulations, the taxing of fishermen, and other measures brought a decline in this ancient Chinese occupation and only recently, when the Japanese felt a need for more fisheries, and when their huge corporations with their mechanized equipment turned to the South, did the government become interested in fishing. The results were the same as in all other spheres of the economic life of Taiwan: Japanese fishing grew at the expense of Chinese."

"The growth of fishing and of other occupations connected with it, such as the gathering of sea weeds, manufacturing of fish cakes etc., may be seen in the following table [see table on page 86--analyst]."

"The growth was therefore slow. The part played by the fisheries in the occupations of the population is not great. The fishermen are either united into associations or are working for Japanese or Chinese entrepreneurs. There are no statistics showing the division of entrepreneurs into Japanese and Chinese, but the names of the firms serve as an unmistakable [86] guide. The various types of fishermen are united into sixty-two associations of 16,516 persons. The total products sold by these associations were valued in 1937 at ¥2,670,201 showing that for the members of these associations fishing is only an auxiliary occupation."

4:Grajdanzev--86
116, 226, 228, 471

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Formosans

"Gross Value of Fisheries' Products
(1,000 yen)

	1919	1923	1928	1931	1934	1936	1937	1938
Value of catch	5,058	9,031	12,670	8,483	11,453	14,934	14,513	15,671
Value of manufactured products	1,424	3,304	2,706	1,525	2,291	2,500	2,324	2,359
Value of products of fish ponds	2,422	1,944	3,402	3,047	2,890	4,207	4,545	5,525
Total	<u>8,904</u>	<u>14,279</u>	<u>18,778</u>	<u>13,055</u>	<u>16,634</u>	<u>21,641</u>	<u>21,382</u>	<u>23,555"</u>

116, 228, 471, 473, 563

"As to the other fishing enterprises, their relative strength may be presented in the following manner:

Fishing Enterprises in Taiwan

	Number of firms	Nominal capital (1,000 yen)	Paid-up capital (1,000 yen)	Average paid- up capital per company (1,000 yen)
Japanese corporations with offices in Japan	2	101, 500	65, 500	32, 750
Japanese corporations with offices in Taiwan	28	5, 972	3, 044	109
Other firms (mostly Chinese)	21	429	399	19

In this field the Chinese can hardly compete with the Japanese because of their lack of capital (1).

1. It is interesting to note that, according to the last census, out of 82,338 Chinese fishermen 16,382 were employers, while among 5,045 Japanese only 101 were employers. Evidently, the Chinese 'employer' had one to three workers, while the Japanese employer was a person or firm of considerable means."

"As to the general supply of fish for the population of Taiwan, the Japan Year Book has the following to say: '... The Taiwanese are a fish-eating people, but the annual catch is so great that a large quantity is exported to Japan proper [87] and other countries' (1).

1. P. 941, 1939-40 edition.

Statistics of the industry tell a different story. Compared with Japan the natives of Taiwan are poorly supplied with fish, for in 1937 the value of fishery products in Japan proper was ¥660,807 or about ¥9.3 per capita as compared with ¥3.8 in Taiwan. It is true that an important part of this catch is exported from Japan and a part is used as fertilizer, but the same is true for Taiwan. As may be seen from the following table, Taiwan is a net importer of fish:

External Trade of Taiwan in Fish
(1,000 yen)

Year	Exports to Japan	Exports to other countries	Gross exports	Imports from Japan	Imports from other countries	Gross imports	Net imports
1937	4,111	832	4,943	10,095	687	10,782	5,839
1938	3,006	491	3,497	11,535	405	11,940	8,443

116, 171, 262, 435, 439

The secret of this coexistence of exports and imports of fish does not lie in any overabundance. The Japanese in Taiwan export fresh fish to Japan which they sell for an average price of 26 sen a kin (0.6 kg.), and import two kinds of fish: (a) salted and dried fish at an average price of 12.5 sen a kin and (b) canned fish. It is clear that these two kinds of imported fish are not consumed by the same groups of the population.

We saw above that the population of Taiwan consumes more meat on the average than do the Japanese; now we see that the Japanese consume much more fish than the islanders (2).

2. It was mentioned above that the average consumption of pork in Taiwan is about 37 kin, while in Japan it is only 3 kin; but the average consumption of fish in Japan must be, on the most conservative estimate, 60 to 70 kin."

4:Grajdanzev--87-88 S-4
116, 167, 313, 423, 659, 177.31
636.31

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Formosans
Japan

"When the Japanese occupied the island, the new administration immediately became interested in its forest resources. One part of forests was in the possession of the Chinese farmers, but the other, more important one was the area of the aborigines. The Chinese were required to register the documents of ownership of forest lands, and since in most cases they had no such documents—their possession and use of forests being based on [88] custom—this device enlarged the government forest reserves (1). It has

1. This is described in Section 3, Ch. 11, p. 1 of T. Yanaihara, Teikoku Shugishita no Taiwan, pp. 23-26.

already been mentioned that in order to use the forests, formerly occupied by the aborigines, the government began to settle the latter by force in the plains. It is said that the settlement of one family of aborigines on the plains cost only ¥70, and this may be compared with the ¥1,000 or more which are spent on the settlement of a Japanese family. Many hundred thousands of ko of forest were acquired in this way."

4:Grajdanzev--88-89
116, 137, 171, 313, 435

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Formosans -1-2

"The present distribution of forests and waste lands (i. e. formerly forest or which can be afforested) may be seen from the following table:

Forest Area in Taiwan, December 1936
(1,000 ko)

	On the plains	In the aborigines' territory	Total
State: forests	399,086	1,312,562	1,711,648
waste land	195,529	308,137	503,666
Public: forests	12,112	...	12,112
waste land	3,529	...	3,529
Private: forests	219,095	1,568	220,663
waste land	45,131	...	45,131
Total: forests	<u>630,293</u>	<u>1,314,130</u>	<u>1,944,423</u>
waste land	244,189	308,137	552,326

The Japan Year Book say: 'Reckless cutting of trees was done by Chinese immigrants and this . . . resulted in the devastation of forest districts.' But it is surprising to find that the forest area on the plains (excluding waste land) is about three-quarters of the area under cultivation. However, the exploitation of this tremendous area—2,496,749 ko or about 5.8 million acres—leaves much to be desired. According to official

4:Grajdanzev--88-89

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(no date) 1942

Formosans-2

116, 137, 171, 313, 435

statistics. the total value of forest products in 1936 was only ¥15.1 million—much less than the value of fishery products or only two per cent of the gross value of the island's production. This sum was made up of the following items: [89] timber, ¥5.6 million; charcoal. 1.9 million; bamboo, 1.7 million; firewood, 2.7 million; and others 3.2 million. If these figures are correct, then of the 2,496,749 ko, one ko brings on the average only six yen, or less than half that in Japan. "

"In order to see what place industry occupies in the life of Taiwan and what its size is by comparison with Japan, we give below the gross value of production of industry as compared with other branches of Taiwan's economy. We give figures only since 1914 because, as has already been pointed out, data for previous years are of doubtful value. To give but one example, the official sources put the total value of industrial production (1) in 1907 at only ¥273,128; but however primitive this industry may have been it is hardly

1. Sugar and tea industries excluded.

possible that on an island with a population of three millions the gross value of industrial production should be so small.

Thus the value of industrial products increased from ¥45.7 million yen in 1914 to ¥374.9 million in 1937 and at the same time the proportion in industry rose from thirty-four per cent to forty-four per cent of the total. This rise in value is, however, to a considerable degree illusory, reflecting only the rise in prices (the index of wholesale prices in 1937 was almost double that of 1914), but this factor alone could not account for an eight-fold increase. Again, the part of industry, as compared, for example, with agriculture, is exaggerated here because, for farmers, who buy very little from outside, the net value of production approaches seventy and may be as high as eighty per cent of gross value, while in industry the net value, i. e. the value created in industry itself, is

very often only half the gross value of production. This suggests that even now agriculture is responsible for about two-thirds of the [91] total value product. But the fact remains that the value of industrial production has increased greatly, that its part in total production of the island has grown, and that the tendency is for industry's share to grow at the expense of agriculture."

"Gross Value of Production in Taiwan
million yen

	1914	1919	1921	1929	1933	1935	1936	1937
Agriculture	80.5	252.4	201.3	301.9	237.9	361.0	388.3	403.0
Fishing	3.1	8.9	9.6	21.0	15.9	19.4	21.6	21.4
Forestry	0.6	9.5	10.7	13.9	10.5	12.7	15.1	16.7
Industry	45.7	130.0	130.9	246.8	209.6	264.9	310.0	374.9
Mining	4.5	10.3	10.3	14.8	15.2	22.8	28.7	36.2
Total	<u>134.4</u>	<u>412.0</u>	<u>362.8</u>	<u>598.4</u>	<u>489.1</u>	<u>680.8</u>	<u>763.7</u>	<u>852.2</u>
Percentages of total								
Agriculture	60.0	61.3	55.5	50.4	48.6	53.0	50.8	47.2
Fishing	2.3	2.2	2.6	3.5	3.3	2.9	2.8	2.5
Forestry	0.4	2.3	3.0	2.3	2.2	1.9	2.0	2.0
Industry	34.0	31.5	36.1	41.3	42.8	38.9	40.6	44.0
Mining	3.3	2.7	2.8	2.5	3.1	3.3	3.8	4.3
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Source: Nogyo nenkan. "

"Having established the absolute size of industrial production of Taiwan, let us now compare it with gross value of industrial production of Korea and Japan and reduce it to a per capita basis.

This table shows that in 1937 and 1938 per capita industrial production in Taiwan was only one-fourth as large as that of [92] Japan, but was higher than in Korea. If we compare 1929 and 1937 we see that the difference between Taiwan and Japan was smaller in the former year than now, both absolutely and relatively, so that in spite of all talk of the industrialization of Taiwan, the difference between Japan and Taiwan in this respect is increasing. (1)

1. In An Inquiry into National Income of Japan, published by the Research Division of the Japan Economic Federation in 1939, we read on page 90; 'The rates at which production has increased in the Dependencies have been greater than those which have been the case with Japan proper. This fact suggests the youth of industry in the Dependencies.' But, the following comparison shows that the conclusion in the text is correct and that the rates of growth at least in Taiwan are not greater than in Japan proper (based on the absolute figures taken from the Inquiry).

Gross Value of Industrial Production in Japan, Korea and
Taiwan, 1929 and 1937 (2)

	Total gross value (million yen)			Per capital [sic] (yen)		
	1929	1937	1938	1929	1937	1938
Taiwan	263.8	360.1	386.4*	58	64	67
Korea	280.5†	927.3	...	14	41	...
Japan	7,716.8	16,412.5	19,667.2	122.5	230	272

Sources: Dainippon teikoku nenkan and Takumu tokei.

*Approximate, because data for machine industry is not available.

†1930, no figures are available for earlier dates.

2. These figures for Taiwan differ slightly from those given in the previous table above (taken from Nogyo nenkan), but they are comparable with those of Japan and Korea.

4:Grajdanzev--91-92

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Formosans-3

116, 171, 433

Comparison of Rates of Growth
(1930 = 100)

Industrial production

alone

255

194

Total production

229

170 "

Japan, 1937

Taiwan, 1937

"Let us now analyze the composition of Taiwan's industry.

Development of Taiwan's Industry by Branches

Gross value of production (million yen)

	1929	1931	1935	1936	1937	1938
Textiles	3.0	2.1	3.6	4.4	5.0	...
Metals	5.2	4.9	8.8	10.9	12.0	20.9
Machinery	5.3	5.1	6.7	7.7	8.0	...
Ceramics	9.4	6.8	8.8	9.5	8.8	10.0
Chemical	23.1	13.3	27.2	28.5	33.7	39.7
Lumber	8.8	6.5	9.3	10.7	5.5*	6.5
Printing, binding	3.6	3.3	4.4	4.9	5.0	6.8
Foodstuffs	190.1	152.4	212.6	221.5	261.3	251.6 †
Others	15.3	10.6	12.1	14.5	20.8	22.2
Total	<u>263.8</u>	<u>205.0</u>	<u>293.5</u>	<u>312.6</u>	<u>360.1*</u>	

* The fall in value of lumber production is probably due to the change in nomenclature. In Kokusei gurafu, May 1940, the value of lumber production for 1937 is given as 11.8 million yen and total production as 374.9 million yen.

† For the sake of comparison 'reclaimed tea' is excluded.

Sources: Dainippon Teikoku nenkan; for 1938, Takunu tokei.

[93] As Percentages of Total

Textile	1.1	1.0	1.2	1.4	1.4
Metal	2.0	2.4	2.9	3.5	3.3
Machinery	2.0	2.5	2.3	2.5	2.2
Ceramics	3.5	3.3	2.9	3.0	2.5
Chemical	8.8	6.5	9.3	9.1	9.4
Lumber	3.4	3.2	3.2	3.4	1.5*
Printing	1.4	1.6	1.5	1.6	1.4
Food	72.1	74.3	72.6	70.9	72.5†
Others	5.7	5.2	4.1	4.6	5.8
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

* The fall in value of lumber production is probably due to the change in nomenclature. In Kokusei gurafu, May 1940, the value of lumber production for 1937 is given as 11.8 million yen and total production as 374.9 million yen

† For the sake of comparison 'reclaimed tea' is excluded.

Sources: Dainippon Teikoku nenkan; for 1938, Takumu tokei. "

4:Grajdanzev--93

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(no date) 1942

Formosans

116, 241, 255, 257, 433

"Thus the predominant position in Taiwan's industry—from seventy-one to seventy-four per cent of the total—is occupied by the food industry. The latter consists chiefly of the production of sugar from sugar cane, and, to a lesser degree, of the canning of pineapples. In other words, Taiwan industry is closely connected with its agriculture and is largely the transformation of agricultural products into forms suitable for consumption or for storage and transportation. All other industries show little signs of growth. Ceramics and 'other industries' were at the same level in 1937 as they were in 1929, the lumber, textile, metal and machine industries show an increase, but in absolute amounts this increase is small, and only the chemical industry is of any importance, producing about nine per cent of the gross value."

116, 171, 433, 463

"This predominance of the food industry, or, in other words, of the processing of agricultural products, may also be illustrated by the following figures of workers by industries in Taiwan for 1937 covering enterprises with five and more workers, (1) or with a prime-

1. Government enterprises are excluded.

mover. [94]

	Absolute figures	Per cent of total
Textile	3,951	4.5
Metals	2,884	3.3
Machinery	4,214	4.8
Ceramics	10,528	12.1
Chemical	4,988	5.7
Lumber	2,674	3.1
Printing	3,027	3.5
Food industry	48,615	55.7
Other	6,363	7.3
Total	<u>87,244</u>	<u>100.0</u>

Source: Dainippon teikoku nenkan, 1939.

116, 171, 433, 463

"The total number of workers in 1937 was only 87,244, while in Japan in the same year it was 2,936,512, or 34 times as many, though the population of the latter in the same year was only 12.7 times as great as Taiwan's. The number of workers in the food industry made up 55.7 per cent of the total, a smaller proportion than that based on the gross value of production, while the proportion of ceramics in the total was unexpectedly high (12.1 per cent) and that of the chemical industry only 5.7 per cent. The divergence may be explained (1) by special conditions in the industries concerned (e.g. the relation between gross value and net value is different in different industries); (2) by the prominence of modern or of primitive types of industrial enterprises—those in ceramics, printing, bookbinding and the lumber industry, for example, are chiefly small enterprises without machinery where productivity per worker is small; but in the food industry as will be shown later on, and in the chemical industry new and efficient enterprises predominate; (3) by the monopolistic position in the market of certain industries, which permits them to exploit the consumers."

4:Grajdanzev--94-96
116, 454, 471, 472, 473

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(no date) 1942

Formosans-1-3

"Finally, we may compare these industries from the point of view of the amount of capital invested in them: (1) [95]

1. Only paid-up capital is included because data for the reserves of smaller corporations could not be found.

Capital Invested in Taiwan's Industry in 1937
(million yen)

	Corporations	Limited partnership	Unlimited partnership	Total
Textile industry	2.7	0.1	0.1	2.9
Machine	3.9	0.9	0.1	4.9
Ceramics	3.3	0.2	0.1	3.6
Chemical	9.6	0.3	0.2	10.1
Lumber	1.5	1.1	0.1	2.7
Food	113.1	4.6	0.4	118.1
Printing	0.5	0.1	...	0.6
Gas and Electricity	47.0	...	...	47.0
Others	1.0	0.3	0.3	1.6
Total	182.6	7.6	1.3	191.5*

Footnote on next page.

* The official estimate of the total capital of industry on Dec. 31, 1937, was ¥258.5 million but it is not clear whether this figure includes nominal capital or only paid-up capital and, whether it includes other investments, government enterprises etc.

Source: Taiwan Jijo, 1939.

Again the food industry is in first place. Actually its position is much more important because it has accumulated considerable reserves. Next in importance is gas and electricity because here investments play a greater part than the number of men occupied while ceramics and printing are poor in capital. It may be of interest to compare the average investment per enterprise for the same year:

Paid -Up Capital per Business Unit

(1,000 yen)

	Corporations	Limited partnership	Unlimited partnership	Average (weighted)
Textile	671	60	120	477
Machine	353	38	45	123
Ceramics	276	21	33	155
Chemical	387	37	115	289
Lumber	163	93	23	106
Food	1,509	78	44	832

Paid-Up Capital per Business Unit Cont.
 (1,000 yen)

	Corporations	Limited partnership	Unlimited partnership	Average (weighted)
Printing	101	12	...	41
Gas and electricity	7,836	10	...	6,718
Others	76	13	68	38
All industry	<u>1,127</u>	<u>51</u>	<u>54</u>	<u>578</u>

[96] We see from this table that in Taiwan there are very large enterprises in the electric power, food, and textile industries, where capital per enterprise is relatively large, while enterprises in the printing, machine, lumber, ceramics and 'other' industries are very small in size. It should be pointed out that individual enterprises are not included here, (2) but both their capital and the value of their products are insignificant

2. The number of individual enterprises in 1934 were reported as follows: 62 in textiles, 91 in metals, 173 in machinery, 588 in ceramics, 428 in chemicals, 3,960 in foods, 256 in lumber, 126 in printing and 381 in others, a total of 6,065, almost all of them Chinese (Takahashi, op. cit., p. 438).

in comparison with those of the companies."

4:Grajdanzev--96-97 S-4
116, 171, 454, 471, 473, 177.47
636.47

(no date) 1942

Formosans-1-2
Japan

"It is also interesting to compare the size of the companies in Taiwan as regards capital with those in Japan proper and in Korea.

Industrial Companies, their Total and Average Capital in the Japanese Empire,
December 31, 1937.

	Companies, number	Total paid-up capital and investments (million yen)	Capital per enterprise (1,000 yen)	Capital per capita of population (yen)
Japan proper	30,518	9,396.9	308	132
Korea	981	246.2	251	11
Taiwan	335	191.5	572	34
Kwantung	358	96.9	271	81
Karafuto	88	33.6	382	103

Source: Dainippon teikoku tokei nenkan, 1939.

It is clear that Taiwan and Korea are poorly supplied with capital per capita of population, but there is an important difference between them: the average capital per company in Taiwan is higher than in any other part of the Japanese Empire, including Japan proper. These are averages and include small as well as large companies, but behind them one may see the silhouettes of big corporations dominating the economic life of Taiwan,

4:Grajdanzev--96-97 S-4
116, 171, 454, 471, 473, 177.47
636.47

(no date) 1942

Formosans-2
Japan

corporations which have few equals even in industrially developed Japan (1).

1. By size of total paid-up capital the corporations and partnerships in industry in Taiwan were distributed as follows: [97]

Size	Number of companies	per cent of total	Total paid-up capital (1,000 yen)	per cent of total
Less than ¥10,000	50	14.9	253	0.1
¥ 10,000- 49,000	111	33.1	1,922	1.0
¥ 50,000- 99,000	34	10.2	1,276	0.7
¥ 100,000- 199,000	48	14.3	3,020	1.6
¥ 200,000- 499,000	40	11.9	4,878	2.5
¥ 500,000- 999,000	20	6.0	4,694	2.5
¥1,000,000- 4,999,000	25	7.5	24,077	12.6
¥ 5,000,000-9,999,000	2	0.6	5,700	3.0
Over ¥ 10,000,000	5	1.5	145,316	76.0
Total	<u>335</u>	<u>100.0</u>	<u>191.1</u>	<u>100.0</u>

Thus, 32 companies—9.6 per cent of the total number—had 91.6 per cent of the total capital of companies."

"Our analysis has shown that in Taiwan only the electric power, chemical, and food industries are large-scale, and that among them the electric power and sugar industries tower far above the rest—in these the corporations would be huge even by the standards of industrially developed nations. We saw that in agriculture Taiwan is an island of contrasts—huge landholdings and poor 'independent' landowners and tenants. The same picture appears in industry and will become clearer on examination of some individual industries for which data are available. We saw that in Taiwan one should distinguish between the progress and prosperity of agriculture in general and of the agriculture of the small Chinese farmers. The same phenomenon appears in industry."

"As was shown above, the food industry occupies a dominant [98] position in the industry of Taiwan. Its composition is as follows: Sugar makes up seventy-seven per cent of the gross value product of the food industry, molasses and candy four per cent, canned pineapples five per cent, and tea five per cent. As will be seen, production of these is concentrated in a few companies.

Gross Value of Production of the Industry,
(1,000 yen)

Sugar	202,240	Fishery products	2,172
Tea	13,452	Soft drinks	1,639
Canned pineapples	12,197	Starch	1,561
Molasses	6,389	Ice	1,496
Flour	6,013	Miso*	789
Candy	5,315	Other foods	5,562
Soya	2,427	Total	<u>261,252"</u>

*Bean paste used as a food.

4:Grajdanzev--98
16, 257, 477, 563

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Formosans -1-2

"Before the Japanese occupation sugar production was carried on in small Chinese enterprises. But these enterprises with their primitive technique, animal power and low-quality products, were compelled to give ground step by step before the modern mills constructed and operated by the Japanese companies. The rapid extinction of these small enterprises and the growth of production of the modern mills may be seen from the following table.

Production of Sugar in Taiwan
(tons)

Year (Nov.- Oct.)	In modern mills	In improved mills	In primitive mills	Total
1905	4, 535	385	44, 659	49, 579
1915	187, 839	11, 166	9, 463	208, 468
1917	409, 165	26, 560	22, 367	458, 092
1921	241, 169	5, 217	6, 348	252, 734
1925	467, 264	4, 824	7, 451	479, 539
1927	402, 611	3, 343	5, 186	411, 140
1929	777, 931	5, 776	5, 621	789, 328
1930	798, 304	7, 050	5, 130	810, 484
1932	977, 239	6, 744	5, 065	989, 048
1933	616, 840	10, 070	6, 814	633, 724

4:Grajdanzev--98

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(no date) 1942

Formosans-2

116, 257, 477, 563

Production of Sugar in Taiwan [Cont.]
(tons)

Year (Nov. -Oct)	In modern mills	In improved mills	In primitive mills	Total
1934	634,403	4,721	7,919	647,043
1935	942,712	9,994	12,946	965,652
1936	880,552	10,402	10,725	901,679
1937	987,451	10,423	9,478	1,007,352
1938	...	...	...	989,778
1939	...	...	...	1,377,000

From this it appears that while in 1905 only nine per cent of the sugar was produced in modern mills, in 1937 these produced ninety-eight per cent of the total. Primitive mills and the so-called 'improved' mills had inevitably to lose the position they occupied."

"Production of sugar in modern mills is concentrated in the hands of nine Japanese corporations, [99] and of these, six produce ninety-seven per cent of all the sugar produced in modern mills and ninety-five per cent of all that produced in Taiwan. In the table on page 100 information is given concerning each of these six largest corporations. Unfortunately this information is not complete. These corporations are closely connected with many other enterprises in Taiwan and also have enterprises in the Pacific Islands under Japanese mandate, in Java and in other southern colonies (1). Many of these enter-

1. They also have refineries in Japan proper. Sugar produced in Taiwan is not refined there.

prises have nothing to do with sugar. But even so, the information given is interesting because it does throw some light on their activities. The paid-up capital and reserves of three of these corporations is about ¥100 million each. The amount of reserves is explained by the remarkable rate of profit which they receive—34 to 40 per cent is 'normal' for them. A lower rate of profit, as in the case of Ensuiko Seito Corporation (20.2 per cent) may be explained by the fact that the corporation has recently doubled its capital, investing it in new enterprises which do not yet bring profit. Thus the rate of profit in the sugar industry is extraordinarily high for all companies. It was shown above that the farmers did not receive any benefits either from the increase of the sugar

4:Grajdanzev--98-99 S-4
16, 177, 257, 433, 473, 563

(no date) 1942

Formosans-2.

content of the cane, nor from the increase of protection; it now becomes clear that these benefits fell to the manufacturers, for only in this way were these huge profits possible (2).

2. But a certain part of these profits is the result of higher prices paid by the Japanese population for the benefit of these companies, protected by the tariff wall."

The value of sugar cane produced in the island in 1937 was officially estimated at ¥55 million, while the value of sugar produced in the same year was estimated at ¥202 million.

The high profits led periodically to feverish activity, investments in new and very often highly speculative fields, followed by over-production, a fall of prices, reduction of area under sugar cane, reduction of the price paid for cane and attempts to market the surplus abroad at lower prices, chiefly in the Chinese market. This speculative activity brought a tremendous financial crisis in 1927 with the collapse of the Suzuki [p. 100 contains table on sugar corporations; see category 116--analyst] [101] firm, and the speculative activity at the present time, based on expectations of continued war and demand for armaments, may bring even more violent repercussions (1).

1. Toyo keizai, November 9, 1940, reports a sharp fall in production of sugar in 1940-41 and in the profits of the sugar companies."

INFORMATION CONCERNING THE SIX LARGEST SUGAR CORPORATIONS OF TAIWAN 1939

	<i>Taiwan Seito</i>	<i>Dainippon Seito</i>	<i>Meiji Seito</i>	<i>Enshu Seito</i>	<i>Teikoku Seito</i>	<i>Shouwa Seito</i>
Established	1901	1896	1908	1908	1910	1927
Paid-up cap. (1,000 yen)	43,080	56,333	45,000	36,938	22,050	11,250
Reserves (1,000 yen)	47,138	23,093	47,500	3,430*	8,081	1,117 (1937)
Principal shareholders:	The Emperor of Japan	Toyama-Seimei*	Daichi-Seimei*	Shinei-Sangyo	Yamaguchi	not published
	Mitsui bimeisa	Meiji-Seimei		Meiji-Seimei†	Nippon-Seimei†	
	Nankoku chokin Bank	Tokyo-Seimei			Meiji-Seimei	
	Mitsubishi-Shanghai	Kaijo-Seimei			Yasuda Bank	
		Nippon-Seimei				
		Yasuda				
Landholdings in Taiwan (ko)	46,630	17,900	13,569	...	3,274	...
Sugar production in 1937/38 (1,000 tons)	256.7	238.6	176.5	150.4	70.6	42.6
Production of molasses, 1936/37 (1,000 tons)	32.4	47.9	33.5	29.5	11.6	...
Other interests	65.7 km. of railways	1,000 km. of railways	118 km. of railways	Alcohol	30 km. of railways	...
	Alcohol	Alcohol	Alcohol	Pulp	Roads	Alcohol
	Refineries in Japan	Etc., etc.	Refineries	Railways	Alcohol	Forestry
	Etc., etc.		Rubber	Agriculture	Etc., etc.	Colonization
			Pulp	Mining		Etc., etc.
			Etc., etc.	Lumber		
				etc., etc.		
Rate of profit (%)	44.65	34.5	40.0	20.3	23.0	20.7
Dividend rate (%)	12	12	12	8	10	10

* Beside its own capital the company report mentions ¥40.6 million of borrowings.

† Seimei (life) are life insurance companies.

Sources: 1. *Kabushiki Kaisha nenkan*, 1940; 2. *Toyo Keizai, Kabushiki Kaisha nenkan*, 1939; 3. Kono, B., *Seito Koutsurumu*, 1938.

"All this is mentioned here [see previous paragraphs--analyst] in order to remind readers that the development of Taiwan's sugar industry, as well as of industry in general, was not smooth and uninterrupted, but passed through booms, crises, depressions—phenomena well known from the history of other countries. Taiwan can now produce much more sugar than it actually does produce (as a comparison of figures for 1933 and 1939 indicates), but the small domestic market, combined with a desire to reap high monopoly profits, keeps production far below the level of capacity, while entrance into the international market for the protected Taiwan sugar is not easy. The manufacturers are organized into a cartel which regulates prices and production in order to avoid cut-throat competition and maintain monopoly profits."

2

"The composition of the textile industry in Taiwan may be seen from the following table showing gross value of production in 1937 in 1,000 yen.

Silk goods	845
Cotton goods	898
Hemp and jute goods	2,497
Others	788
Total	<u>5,028</u>

Production of hemp and jute goods is the most important branch. The chief article made is bags for the trade in rice and sugar.

It was shown above [p. 95. category 116--analyst] that the total capital of textile companies in Taiwan in 1937 was ¥2.9 million. Now, in the same year one company alone—Taiwan Seima (Jute Dressing Company)—had a capital of ¥1.4 million. Its rate of profits was 48.5 per cent but only eight per cent was distributed, the [102] balance going into reserves and investments. It had 2,844 spindles. It is worth noticing that almost half its shares were in the hands of the Anda Corporation. "

"In 1937 the gross value of products of the metal industry was made up of the following items (in 1,000 yen):

Gold and silver refining	4,101
Gold and silver goods	2,588
Alloys	1,710
Foundry	1,081
Tin cans	3,175
Construction and household goods	623
Total	<u>13,278</u>

As may be seen, this group consists chiefly of gold and silver produced and refined on the island--a branch of industry which has a very close connection with mining--and of tin cans manufactured for Taiwan's export industries. We do not know whether Taiwan's statistical service puts the production of aluminum in the metal group or in the chemical group, but it will occupy an important place in the war industry of Taiwan in the near future. The Nippon Aluminum Company was established in June 1935 with a capital of ¥30 million. Its 600,000 shares were divided between the biggest concerns in Japan: 83,500 shares went to Mitsubishi Kogyo, 45,000 to Mitsui Kosan, 44,000 to Taiwan Denryoku (described below), 30,000 to Mitsui Gomei, 15,000 to Mitsui, etc. Besides the paid-up capital there were reserves of ¥733,000, and borrowed capital amounting to ¥2,300,000 on September 1, 1939. The plants in Takao and Karenko use bauxite ore

116, 328, 473

from the Netherlands Indies and electricity is supplied by Taiwan Denryoku. Data on production are not published, but in one Japanese publication (1) it was stated that the

1. Kogyo nenkan, 1939.

capacity in 1938 was 8,000 tons, but that after expansion it will be 10,000 tons. Judging by the distribution of profits it went into operation in the second half [103] of 1937 and in 1939 profits amounted to seventeen per cent, of which eight per cent was distributed."

"Machine and Vehicle Production in 1937 Consisted of These Items:
(1,000 yen)

Agricultural machinery, including that for the sugar industry	730
Other machinery and apparatus	5,071
Vessels	730
Vehicles	405
Other products	1,656
Total	<u>8,592</u>

This production by no means satisfies the needs of industry and transport of the island, and the imports of machinery, vehicles and vessels are now valued at thirty to forty million yen a year."

"Composition of Ceramic Products by Value in 1937
(1,000 yen)

Bricks	3,063
Tiles	923
Cement	3,264
Cement tiles	503
Other products	1,075
Total	<u>8,828</u>

As may be seen from the figures quoted, this industry is practically limited to the production of cement and bricks. Production of cement in 1936 was equal to 143,076 tons and about an equal amount is imported from Japan."

116, 278, 387, 433

"With the exception of paper, mineral oil and soap, all the products mentioned here represent the processing of agricultural products or else fertilizers for agriculture. The alcohol is chiefly a by-product of the sugar industry. Formerly all alcohol produced in Taiwan came from molasses, but now part of it is produced directly from sugar cane. The new product—[104]absolute alcohol—is suitable for use as a motor fuel, but no data on its production have been published.

In 1937 the products of this industry were as follows:

	Value (1,000 yen)	Volume (tons)
Mineral oil	1,094	
Soap	941	
Vegetable oils	2,149	3,721 (1936)
Oil cakes	2,382	
Paper	2,165	
Bagasse*	626	
Mixed fertilizers	7,450	67,841 (1936)
Other fertilizers	1,808	
Perfumery and essences	1,211	
Charcoal	1,970	

* Cake for fodder made of the remains from sugar

4:Grajdansev--181-204

5-4

(See Sheet) 1930

Expenditure 2

116, 278, 387, 433

came after extraction of the sugar

Value

(2, 1000 1940)

Amount

Amount

Refined camphor

1, 000

Alcohol

1, 000

Other products

1, 000

Total

3, 000

"Taiwan is a heavy importer of fertilizers, because its domestic industry supplies a very small part of its needs. In 1936, for example, of 147,600 tons of sulphate of ammonia consumed, only 13,059 tons were produced in Taiwan. But this offers a promising field for development because Taiwan is rich in cheap water power (1).

1. In 1937 two large Japanese companies organized Taiwan Kagaku Kogyo Kaisha (Taiwan Chemical Co.) with a capital of ¥10 million, for the production of sulphate of ammonia. It was planned to increase production in the future to 100,000 tons of sulphate of ammonia; but data on the progress of the company are not available and, judging by the imports, production has not advanced to plan. The plant of the company was to be near Sinchiku."

"Of the paper producers, the most important enterprise is the Taiwan Kogyo Corporation, established in 1935. Its paid-up capital amounts to ¥8 million and its bonded indebtedness to ¥9.5 million. The principal shareholders are Ogawa Gomei, Taiwan Shoken, and Matsumoto. The value of its production in 1938-39 was ¥3,538,000, and profits amounted to 12.5 per cent of its capital. Next in importance is the Taiwan Pulp Kogyo Corporation, established in February 1938, in Taichu. It has a capital of ten million [105] yen in shares and has borrowed about one million in bonds. Its shareholders are two sugar companies and the Kanefuchi Spinning Company. Up to 1939 the corporation had not paid dividends."

4:Grajdanzev--105

S-4

(no date) 1942

Formosans

116, 28, 433

"This group is made up of following gross values of Products for 1937: (1,000 yen)

Gold and silver paper	630	Needlework	2,360
Bamboo products	1,992	Hats	2,705
Straw goods	663	Other goods	5,209
Leather goods	1,576	Total	<u>15,906</u> "
Sisal and hemp products	771		

"In the sea-coast villages of the earthquake zone the production of panama hats is a household industry giving employment to tens of thousands, but it is gradually losing its foreign and domestic market."

"Cheap water power is an important asset to Taiwan in all plans for its industrial development. Prior to 1930 it was estimated that the twenty-three major streams can produce as much as 1,040,000 kw., but, according to Takahashi, recent estimates put the capacity at a much higher figure—about two million kw. Of this about 230,000 to 240,000 kw. was utilized in 1939. Development before 1933 was slow. In 1919 the capacity was 10,000 kw.; in 1933, about 40,000 kw. But in 1930-31 a project was worked out for the utilization of Jitsugetsutan (Lake Candidius), a lake in the mountains in the centre of the island located 726 m. above sea level. The project was elaborated chiefly for the purpose of creating an armament industry (1) but there was no money to finance it, so work on the

1. That the primary motives were military is definitely stated in Taiwan Jijo, 1939, p. 418, and Sekai nenkan, 1939, p. 177.

project stopped. Finally, money was found in the United States, where in July 1931 a loan of US \$22,800,000 or ¥45,737,210 was arranged. In October 1931 work was resumed and in 1934 the project was completed. In July [106] 1937, a second project was finished at the same lake."

4:Grajdanzev--106-107
116, 316, 433, 454, 177.31
636.31

S-4

(no date) 1942

Formosans
Japan

"Mining occupies a relatively unimportant position in Taiwan. In 1936, the last year for which data are available, the gross value of mineral products was Y28,727,000, less than ten per cent of the value of industrial production and less than one per cent of total production. But as regards the capital invested, the attention given by the government to oil and, recently, to gold, and the subsidies lavished on actual and potential producers of oil, it occupies quite a prominent position. The capital of the mining industry at the end of 1937 was Y46,635,000 (1). There were twenty-four companies, [107] but, just

1. It is not clear whether this is subscribed or paid-up capital, or whether this sum includes reserves and other investments.

as in other fields, three companies dominated the field; Taiyo Kogyo, Taiwan Kogyo, and Keelung Tanko (coal), (2) each having capital of over Y5,000,000.

2. The paid-up capital of this corporation is Y7 million and out of 140,000 shares 43,473 are in the hands of Mitsui Kosan and 41,656 in the hands of Mitsui Bussan."

"In February 1939 a large new station producing electricity from coal was put into action. There are now 158 private producers of electricity and 15 government stations on the island, but by far the most important producer is the Taiwan Denryoku Corporation, established in 1919, the capacity of whose stations is now 220,050 kw. Its paid-up capital is ¥45.8 million, its reserves, ¥15.1 million, and its debentures, ¥76.6 million. Its principal shareholders are the Taiwan government-general and Japan Life Insurance Company. Profits in the last few years have been seventeen per cent and it has paid seven per cent to its shareholders. The low rate of profits compared with other corporations is presumably to be explained by the fact that the company sells electricity to the armament plants, for example to the Nippon Aluminum Company, at a special reduced price of 0.5 sen per kwh. The same policy is pursued by Taiwan Denka Corporation, which sells electric current to a ferrosilicon plant at 0.6 sen per kwh. Another important company in this field is the Taiwan Dento Corporation, established in 1919, with paid-up capital of three million yen. It supplies electricity chiefly for domestic lighting and the capacity of its plant is 7,224 kw. Its rate of profit is about thirty per cent and it pays dividends of ten per cent (1).

1. Recent information from Taiwan (August 1940) tells of the merger of these companies, so that a huge monopolistic corporation will take their place."

4:Grajdanzev--107

S-4

(no date) 1942

Formosans

116, 315, 472

"There are also five companies engaged in gas utilization with capital above ¥500,000 each—Taiwan Gas, Tokokogyo, Taiwan Denka, Taiwan Kagaku, (chemicals) and Taiwan Menka (cotton), but it is not clear whether their capital is included in the ¥46.6 million mentioned above."

116, 316, 433

"The relative importance of mining products produced in 1936 may be seen in the following table:

Metals or minerals	Value of output (1, 000 yen)	Per cent of total	Volume
Gold	4, 224	14.7	
Gold-silver-copper ores	5, 881	20.5	
Placer gold	160	0.6	
Gold ores	2, 078	7.2	
Total gold and gold ores	12, 343	43.0	41,608 oz. (1936) 50, 000 (1937)*
Silver	17	0.1	
Copper	470	1.6	2, 299 tons (1934) 4, 000 (1936)*
Coal	11, 365	39.6	1, 744, 000 (1937)
Sulphur	87	0.3	1, 071 tons (1935)
Phosphorites	1	—	
Petroleum	312	1.1	1, 780 thous. gall. (1935)

* Approximate figures

4:Grajdanzev--107-108

S-4

(no date) 1942

Formosans-2

116, 316, 433

Metals or minerals	Value of output (1,000 yen)	Per cent of total	Volume
Natural gasoline	456	1.6	1,480 thous. gall. (1935)
Carbon black	292	1.0	1,237 tons (1935)
Others	3,384	11.7	
Total	<u>28,727</u>	<u>100.0</u>	

As shown in this table, gold and coal make up about eighty-three per cent of the total value, and are thus of paramount importance. No explanation is available of the group 'others', [108] representing 11.7 per cent of the total. In 1935 this group made up only about four per cent and the sudden leap to 11.7 per cent is difficult to explain. "

116, 135, 316

"Gold mining was carried on in Taiwan before the Japanese occupation, but gradually, as the best areas were worked out, the amount of gold produced declined and remained low up to 1931, when the depreciation of the yen and the consequent rise in the price of gold made mining more profitable. At the same time the introduction of machinery in modern enterprises decreased costs and, as a result, in five years (1931-36) the value of gold produced was tripled. Since 1936 no data have been published, though the discovery of new ore deposits was mentioned in the newspapers (1). Placer gold is mined in

1. In the February 1940, issue, of Keizai Chishiki it is reported that in October 1939, in the eastern part of the island in the valley of the Takkiri (Keikoku), placer gold was discovered by a mining engineer. This placer deposit was estimated to contain one billion yen worth of gold. However, as early as 1907 Yokobori estimated the value of gold in placers and ores in Taiwan at four billion yen.

Taihoku and Karenko provinces, while ores containing gold in conjunction with silver and copper are found only in Taihoku province."

"Coal is produced in two northern provinces only—Taihoku and Shinchiku. It is low-grade bituminous coal with heating power varying from 7,480 to 6,160 calories and with a sulphur content of 1.2 per cent to 4.45 per cent. One field in Taihoku contains as much as 64.8 per cent of volatile matter. The layers are from two to three feet thick, and reserves are estimated to amount to 400 million tons. This is less in proportion to the population than in Japan, but considerably more than in the Philippines. Only a part of island is geologically surveyed, so it may be that the estimate will be altered after the resources of the island have been more fully investigated."

116, 316, 433, 439

"Actual production of coal reached its maximum in 1927, when 1,850,000 tons were produced. After that a decline set in, the lowest point occurring in 1932 (1,355,000 tons). With the general revival, production rose to 1,550,000 tons in 1935 and in 1937 to 1,744,000 tons. However, the low development of industry and the poverty of the population combine to [109] make the marketing problem difficult. Production capacity is considerably larger than actual production, and as may be seen from the following table, the market for coal is chiefly outside Taiwan.

Consumers of Taiwan's Coal 1932-34

	Quantity (1, 000 tons)	% of total
Industry	399.7	27.6
Railways	150.5	10.4
Homes	48.8	3.4
Shipping	498.8	34.4
Exports	330.0	22.8
Other	21.3	1.4
Total	1,449.1	100.0

Source: Taiwan ginko chosa kacho, quoted by K. Takahashi.

Thus only slightly more than forty per cent of the output is consumed in the island

4:Grajdanzev--108-109

S-4

(no date) 1942

Formosans-2

116, 316, 433, 439

itself. Taiwan is capable of producing more coal than it does now, but the limiting factor is the smallness of the domestic market."

4:Grajdanzev--109

S-4

(no date) 1942

Formosans

116, 135, 315, 382, 177.31

Japan

636.31

"Since 1908 the Taiwan government-general and the Japanese navy have paid special attention to oil production in Taiwan, but up to now this branch of mining has been more productive of subsidies to oil producers than of oil itself. It was mentioned above that in 1936 the value of oil produced in Taiwan was ¥312,000 and that of gasoline, ¥456,000. However, in the 1937 budget of the government-general ¥1,005,000 was earmarked as subsidies for oil producers and prospectors. Daily production of oil in the last few years has been about 5,000 American gallons."

4:Grajdanzev--109 [21

S-4

(no date) 1942

Formosans

116, 135, 171, 315, 354

"From the local point of view the production of natural gas is more important[than that of oil--analyst]. The region richest in gas is Kinsui in Shinchiku province, and the gas is used for the production of benzine and carbon-black, as a fuel for sugar mills, and for domestic use. However, in 1937 only 7,411 families had gas facilities (as compared with 2,233,136 in Japan proper)."

:Grajdanzev--109-110

S-4

(no date) 1942

Formosans

16, 135, 315

"Recently manganese ore was discovered in eastern Taiwan and plans were pushed for the production of magnesium from [110] sea water, but no concrete data are available as to the character of the deposits or the output. "

116, 315, 463

"There are no recent data on the number of workers occupied in mining but in 1930, according to the census of population, the number was 24,000 persons or about 1.4 per cent of the active population of the island."

4:Grajdanzev--110-111 S-4
116, 463, 471, 563, 655, 177.47
636.47

(no date) 1942

Formosans-1-3
Japan

"Our analysis of industry and mining must not be limited to a survey of present conditions and the plans of the government, etc. Properly speaking it should only begin here. The population of Taiwan is about five per cent Japanese and about ninety-five per cent Chinese and aborigines. In order to evaluate the place of these two groups in industry and mining we should know wage levels and working conditions as well as the all-important question of who are the entrepreneurs and who the wage earners. Unfortunately, some of these questions cannot be answered because of the absence of information.

The latest available report concerning the nationality of capital in Taiwan's companies refers to the years 1929.

Distribution of Corporate Capital in Taiwan by Nationality in 1929
(1,000 yen)

	Japanese	Chinese	Other*	Total
Agriculture	4,434	4,962	4	9,399
Industry	180,497	16,786	1,658	198,941
Commerce	23,128	28,082	2,033	53,242
Communications	3,186	2,571	25	5,781
Fisheries	2,258	1,190	20	3,467

4:Grajdanzev--110-111 S-4 (no date) 1942

Formosans-2

116. 463, 471, 563, 655, 177.47

Japan

636.47

Distribution of Corporate Capital in Taiwan by Nationality in 1929 [Cont.]
(1,000 yen)

	Japanese	Chinese	Other*	Total
Mining	12,243	3,441	1,422	17,107
Total	225,745	57,033	5,161	287,939

* Chiefly Chinese from the mainland, citizens of the Chinese Republic.

The share of the Japanese was therefore 90.7 per cent in industry and 71.6 per cent in mining, while the corresponding shares for the Chinese were 8.5 per cent and 20.1 per cent. It is true that these figures do not include individual enterprises, which are chiefly Chinese, but it is quite evident that their inclusion would not greatly change the picture because the average capital of such enterprises is very small. On the other [111] hand this table does not include government enterprises which should be considered for all practical purposes as Japanese enterprises (the managerial staff is Japanese and the profits may be transferred to Japan at any time), and the capital of these government enterprises is huge. As is seen from the table, the capital of all corporations was about ¥288 million in 1929, yet in the same year the capital of the state railways alone was ¥122 million. Beside railways the government has many enterprises of all kinds. Since 1929 the situation has further changed to the disadvantage of the Chinese group for in the

4:Grajdanzev--110-111 S-4
116, 463, 471, 563, 655, 177.47
636.47

(no date) 1942

Formosans -3
Japan

last few years, as was shown above, huge new companies have been established and the capital of old ones increased. The new companies are Japanese. In 1929, for example, the capital of the Japanese companies occupied in the fisheries was ¥2,258,000; in 1939 two Japanese companies with headquarters in Japan proper, whose capital is ¥65,500,000 were operating in Taiwan. Of course, only a part of this capital is sunk in their Taiwan enterprises, but it is clear that the situation in 1939, in this as well as in many other respects, is less favorable to the Chinese than it was ten years before.

The same thing has occurred in mining, where the total capital is now ¥46.6 million, instead of ¥17.1 million as in 1929. The increase is due to the activities of the Japanese Koyo Kogyo, Taiwan Kogyo, and Keelung Tanko corporations."

4:Grajdanzev--111-112
116, 463, 471, 563, 477

S-4

(no date) 1942

Formosans

"A similar expansion [similar to that in mining--analyst] has taken place in industry, where all large new enterprises are owned by Japanese who make up only five per cent of the population, but now own at least ninety-five per cent of the capital in Taiwan's industry and more than ninety per cent of the capital in mining. But if one takes into consideration the fact that the Japanese enterprises are modern, while those of the Chinese are small and have more primitive equipment, (1) it becomes clear that the share

1. Compare the data on sugar mills given above.

of the Japanese enterprises in production is even greater than comparison of the respective holdings would indicate. Furthermore, the shares of corporations in Taiwan are not subject to free purchase and sale. These are monopolistic [112] organizations, and shares in them are not offered on the open market but are held by the big corporations of Japan. "

4:Grajdanzev--112 S-4 (no date) 1942
116, 171, 471, 563, 477, 655, 177.47
636.47

Formosans -1-2
Japan

"It may be of some interest to compare the share of native corporations in the total corporate capital of Taiwan with their share in Korea, for which the most recent data is available:

Percentage Share of the Native Corporations in the Total Capital of
Corporations

	Taiwan, 1929	Korea 1938
	Per cent	Per cent
Agriculture	52.8	20.7
Industry	8.5	6.6
Commerce	52.7	19.1
Communications	44.5	7.5
Fisheries	34.3	6.3
Mining	20.1	6.8
Total	<u>19.8</u>	<u>11.3</u>

Source for Korea: Kokusei gurafu, April 1940.

It is evident from this table that in Korea the occupation of commanding positions by Japanese capital had proceeded much further by 1938 than it had in Taiwan by 1929. Native capital was strongest in Taiwan in 1929 in agriculture, commerce, communications and fisheries and it is interesting to note that Korean capital was most strongly placed

4:Grajdanzev--112 S-4 (no date) 1942

116, 171, 471, 563, 477, 655, 177.47

636.47

Formosans-2

Japan

just in these branches in 1920. This is not a coincidence. The squeezing out of the native capital usually begins in industry and mining (2) and reaches commerce and agriculture

2. Actually it began with communications. The railroads in both colonies are in Japanese hands, but since they belong chiefly to the government they are not included in the above figures.

only at a later stage. In Korea native capital is now only eleven per cent of total corporate capital. and there is no reason to expect that the proportion is higher in Taiwan.

The answer to the first question as to the nationality of capital in industry and mining in Taiwan is thus quite clear—from ninety to ninety-five per cent of this capital belongs to the Japanese."

116, 171, 563, 471

"According to Takahashi, (1) industry in Taiwan [113] is chiefly in Japanese hands because

1. Op. cit. p. 434 et seq.

(1) the Japanese are able to organize modern enterprises; (2) the Chinese are chiefly concentrated in domestic industry; (3) the national characteristics of the Chinese are such that they are unable to organize corporations; (4) any accumulations of capital which they may have are small because they came to the island recently and their chief occupation is agriculture; (5) they cannot compete in the Japanese market with the Japanese because they do not know the market; (6) in those cases where they do organize a corporation their aim is to get profits quickly, and this brings ruin to the corporation. This is a familiar argument in colonial countries. We make only a few comments below.

It is argued that the Chinese do not have the accumulation of capital necessary for modern industry, that they came to Taiwan recently (!) and that their chief occupation is agriculture. But in 1900-05, when the Japanese began to build up the industrial enterprises of Taiwan, the chief occupation of the Japanese in Japan was also agriculture. It would be a mistake to suppose that they exported a huge amount of capital to Taiwan. This question will be touched upon in the chapter on the external trade of Taiwan, where we shall show that the capital of corporations in Taiwan was 'created' chiefly in Taiwan itself. "

4:Grajdanzev--113 S-4
116, 463, 471, 563, 177.47
636.47

(no date) 1942

Formosans
Japan

"Our first question is now answered: the Chinese as a group receive very little from Taiwan's industry and mining in the form of interest on capital or entrepreneurs' profits. Any advantages which they may derive from these industries arise then chiefly from their position as workers. Let us see now what they receive in this capacity. In 1936, out of 81,589 workers occupied in industrial enterprises with five or more workers or having a prime-mover, 76,251 (93.5 per cent) were Chinese—almost the same percentage as in the population of Taiwan. The remaining 6.5 per cent were chiefly Japanese."

"Japanese economists argue that the prosperous condition of the villagers makes it difficult for industry in Taiwan to secure female workers, so that in 1935, for example, women made up [114] only 30.6 per cent of all workers, (1) while in Japan the proportion

1. In 1936 women made up 32.6 per cent of all workers. Kagaku kogyo nenkan, 1939.

was 47 per cent. Let us make a closer examination of the figures.

Proportion of Women in Different Industries

	In Japan		In Taiwan	
	1935	1933	1935	1936
Textile industry	80.9	80.6	80.9	73.4
Metals	7.1	8.8	10.5	10.6
Machinery	8.5	0.5	0.7	1.2
Ceramics	20.6	13.7	15.2	18.6
Chemicals	35.1	23.4	23.4	26.4
Lumber	9.0	5.6	6.6	5.8
Foodstuffs	18.1	34.3	33.3	34.8
Printing	18.1	12.5	10.8	12.9
Gas and electricity	0.8	—	—	—
Others	51.4	66.0	62.2	68.2
Total	47.0	31.7	30.6	32.6

From this table it may be seen that in the textile and ceramic industries the percentage of women is about the same in Taiwan as in Japan; in metals, foodstuffs, and 'other' industries it is larger, while in machinery, chemicals, and printing it is smaller but is growing. The smaller percentage total (32.6 per cent in Taiwan and 47 per cent in Japan) is explained by the simple fact that in Taiwan there is no significant textile industry. If we exclude the textile industry, then in 1936 the proportion of women in industry was 30.6 per cent for Taiwan and only 18.7 per cent for Japan (2). It is no fault

2. The figure for Japan is calculated from the data of Nippon rodo nenkan, 1938.

of the Chinese women and it is not a sign of Taiwan's prosperity if the industries existing in Taiwan are less suited to women. To say, as Takahashi does, that the textile industry is absent in Taiwan because the women, being prosperous, do not want to work, is naive. Taiwan is in the sphere of the Japanese customs tariff and experiences all the pressure of Osaka and Nagoya competition; it has no cotton of its own, nor has it such good harbors and commercial organization that it could be supplied with cotton cheaper than Kobe. It is natural then [115] that the cotton industry has had no chance to develop. But, as was mentioned, in other branches of industry the proportion of women in industry is higher in Taiwan than in Japan."

"There is no information concerning the number of children occupied in Taiwan's industry, nor of hours of work and leisure. Japanese Labor Year Books (Rodo nenkan) contain hundreds of pages on labor conditions in foreign countries, but not on the conditions of workers in Taiwan and Korea."

116, 171, 465

"Japanese authors complain that wages in Taiwan are high, and that they are high because of the prosperous condition of the farmers. The farmers are so well off that they do not want to leave the farms. Takahashi tells a story, for example, of how government officials were not able to hire a sufficient number of laborers for irrigation works at the rate of wages prescribed by these officials. The chief obstacle to the development of industry, we are told, is high wages. Moreover, these wages are rising continuously. The official Taiwan Jijo says: 'wages of the islanders up to 1920 rose by 200 per cent in comparison with the prewar level, while in comparison with the period before the Japanese occupation the increase is wonderful' (odoroku-beki) (1). Below we give wages per

1. Op. cit., p. 610.

day for corresponding groups of workers in Tokyo and Nagoya in Japan, and Taihoku and Taichu in Taiwan.

Wages per Day in 1939
(yen)

	Japan		Taiwan	
	Tokyo	Nagoya	Taihoku	Taichu
Turners	4.20	2.84	1.60	no data
Cement workers	2.36	2.58	no data	0.95

116, 171, 465Wages per Day in 1939 [Cont.]
(yen)

	Japan		Taiwan	
	Tokyo	Nagoya	Taihoku	Taichu
Foundry workers	4.01	2.38	1.20	no data
Millers	2.93	2.45	1.15	0.70
Dyers	3.07	1.78	1.09	no data
Printers	3.33	2.12	1.80	1.00
Day laborers, men	2.10	2.20	0.85	0.74
Day laborers, women	1.24	1.30	0.60	0.55

Sources: For Taiwan, Taiwan Jijo; for Japan, Rodo nenkan.

"As is well known, Japan is not a country of high wages. Yet wages there are from two to three times higher than the wages of the Chinese in Taiwan and do not seem to have been an obstacle to the development of industry. The wage level is closely connected with the level of retail prices and this we give below.

Retail Prices in Taihoku, May 1939

	(sen)	
Sweet potatoes	(per kin)	6.4
Rice, <u>horai</u>	(per kin)	11
Sugar	(per kin)	29
Pork, average quality	(per kin)	43
Miso, per 100 momme	(0.827 lb.)	8
Fish	(per kin)	18-22
Eggs. each		6
Soap. per piece		10-17
Matches. per box		1.4
Firewood. per 100 kin		180
Muslin (per yard)		134

Now, let us take two workers—one skilled and one day laborer. For the skilled workers the average daily wage in the second half of 1938 was ¥1.43 per day, (1) for an

1. This is a simple arithmetic average of 60 different

116, 171, 435, 465, 563

categories of workers in Taihoku; in so far as highly paid categories are small in numbers, the weighted average would be lower. The official estimate of the average wage for Taihoku is ¥1.27.

unskilled worker ¥0.85. The average family in Taiwan consists of five to six persons. According to the prices given above, the skilled worker can buy with his daily wages, for example, either 17.2 lb. of rice or 4.4 lb. of pork, or 6.5 lb. of sugar. An unskilled worker can make such purchases as 10.2 lb. of rice, or 2.6 lb. of pork, or 3.9 lb. of sugar. By whatever standards, it is evident that the wages of the workers are very low.

The wages of Japanese workers, on the other hand, are at least double those of the Chinese for the same job. For Taihoku the official estimate of the average wage for the Chinese is ¥1.27, for Japanese, ¥2.41 (2). It is thus not profitable for the Japanese

2. A simple arithmetic average for 25 occupations of the Japanese in Taihoku gives ¥2.65.

entrepreneurs to use Japanese workers extensively."

4:Grajdanzev--117
116, 465, 472, 511, 563

S-4

(no date) 1942

Formosans

"We saw previously that the development of modern industry in Taiwan did not benefit the Chinese as entrepreneurs. Now it becomes evident that it brought very little to them as workers. If we use Engel's ratio of sixty per cent as an estimate of the share of wages spent on food in low-wage countries, it appears that the wages of the unskilled worker in Taiwan can purchase about one pound of rice per day for each member of his family."

4:Grajdanzev--118
116, 494, 496, 177.49
636.49

S-4

(no date) 1942

Formosans
Japan

"All kinds of communications are in use in Taiwan—from the primitive sedan chair and jinrikisha (rickshaw) to the airplane, but modern means of communications are either in the hands of the Japanese government or of Japanese companies. There are 3,375 km. of improved roads. These play an increasingly important part in inland communications because the railroads do not link up the whole island in a complete network; the eastern part has no railroad connections with the rest of the island. The number of motor cars and buses is small (1). The buses on the roads are used by the government

1. No statistics are published by the government.

railways as feeders for the rail services."

116, 171, 496, 497

"Some Railroad Statistics of Taiwan and Japan for 1937

	Taiwan	Japan proper
Length of railroads (km.)	1,550	26,797
Same per 100 sq. km. (km.)	4.3	7.0
Passengers carried (1,000)	27,488	1,739,688
Trips per capita	4.9	24.1
Freight carried (1,000 tons)	8,187	130,813
Freight, per capita (tons)	1.5	1.8
Receipts from passengers (million yen)	11.2	391.1
Average cost per trip (yen)	0.41	0.22
Receipts from freight (million yen)	18.5	306.4
Average cost per ton (yen)	2.26	2.34"

4:Granjdanzev--118-119
116, 454, 496, 655, 177.49
636.49

S-4

(no date) 1942

Formosans
Japan

"In 1926 there were 950 km.(1) of government railroads in Taiwan; in 1938 there were

1. Taiwan. Its System of Communication and Transportation, 1929.

1,040 km. The lengths of private railways at the same dates were 525 km. and 521 km. respec-[119]tively—a slight decrease. In other words, in the last decade the construction of new railroads in Taiwan has almost stopped. At the end of 1938 the capital invested in the government railroads including expenditures on repairs and restorations was ¥172,499,691. "

"The table above [see preceding note page 118--analyst] compares railroad data in Taiwan and in Japan.

These figures may appear unimportant, but they are essential for our investigation because only in this way is it possible to discover certain important relationships. It was already mentioned that in the last eleven years the total length of the railways in Taiwan increased only slightly—by five per cent, while in Japan in the last nine years (1928-37) the increase was thirty-nine per cent. The network of railways in Japan is now almost twice as dense as that of Taiwan."

4:Grajdanzev--119 [2] S-4
116, 171, 497, 511, 563, 177.49
636.49

(no date) 1942

Formosans
Japan

"From the table given above [see table on page 118 under category 116--analyst] we see that a Japanese makes almost five times as many trips a year as does a Taiwanese --whereas the movement of the freight appears relatively as large as in Japan. The movement of passengers reflects the conditions of life of the natives while the movement of freight in Taiwan is the movement of Japanese freight to and from ports--coal, sugar, rive, fertilizer, lumber, and sugar cane (1) (in the order of freight carried)--

1. Sugar cane is in sixth place because the bulk of its [sic] transported on special railroads.

which, as will be shown later in more detail, serve chiefly the Japanese economic machine. The statistics of revenue show that the average cost per ton of freight in Taiwan is less than in Japan (¥2.26 as compared with ¥2.34). It may be said that this is quite reasonable because in Taiwan average distance over which the freight is moved is less. On the other hand, the average passenger cost per trip in Taiwan is twice as high. In spite of the smaller scale of operation, the railways of Taiwan bring a net return of eight to nine per cent as compared with six per cent in Japan (1937)."

"Besides these railroads there are in Taiwan special roads for transporting sugar cane from the fields to the mills, the total [120] length of which in 1938 was 2,098 km. There is also a unique system of communication on the island, 'light railways', or very narrow tracks of light rails on which run 'push-cars' propelled from behind by Chinese coolies. They are used for both passengers and freight, but their importance is declining: even at Taiwanese wages a coolie cannot compete successfully with a locomotive.

Taiwan's 'Light Railways'

	1929	1938
Length of roads (km.)	1,022	806
Cars	5,645	3,545
Passengers carried (1,000)	5,251	2,002
Goods (1,000 tons)	803	503
Total receipts (1,000 yen)	2,419	1,153 "

116, 439, 505, 705

"The products of Taiwan can be brought to Japan only by sea: it was pointed out above that air freight-transport is insignificant because it is too expensive. As will be shown in the next chapter, the external trade of Taiwan is chiefly with Japan. The following table gives information on the shipping line connecting Taiwan with Japan and the continent.

This table shows that coastal shipping in Taiwan is not developed. The only line of importance is Keelung--Karenko, which is a necessity because the eastern railroad is not connected with the railroad network of the island, freight being transported exclusively by ships. Information concerning the lines connecting Taiwan with Japan shows how close are the commercial relations between the two countries,.... Line's connecting Taiwan with Manchuria direct and via Korea (Takao--Seishin) are of recent origin, while it will be observed that there are many more lines connecting Taiwan with China and with Southeastern Asia than is commensurate with the trade of Taiwan with these regions. The lines connecting the island with China probably serve the army and organizations connected with it, for Taiwan is the supply base for the armies now operating in South China.

4:Grajdanzev--120-121
116, 439, 505, 705

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Formosans-2

Taiwan's Shipping Lines in 1939

Line	Number of vessels plying	Number of voyages (minimum per year)	Tonnage of vessels used (minimum)
Keelung--Kobe	6	84	8,000 tons or more
Takao--Tokyo	6	90	4,000 "
Takao--Tokyo*	2	24	2,500 "
Takao--Seishin (Korea)	2	12	2,000 "
Takao--Jinsen (Chemulpo) Korea	2	24	2,000 "
Takao--Dairen (Kwantung, Manch..)	2	46	4,000 "
Takao--Tientsin	2	24	2,000 "
Takao--Shanghai	2	36	2,000 "
Keelung--Amoy	1	36	1,500 "
Keelung--Hongkong	2	48	1,500 "
Takao--Canton	1	24	1,500 "
Keelung--Java	2	12	3,000 "
Keelung--Philippines	3	24	3,000 "

4:Grajdanzev--120-121

S-4

(no date) 1942

Formosans-3

116, 439, 505, 705

Taiwan's Shipping Lines in 1939 [Cont.]

Line	Number of vessels plying	Number of voyages (minimum per year)	Tonnage of vessels used (minimum)
Takao--Aparri (Philippines) since 1938	1	30	3,000 tons or more
Calls of Southern lines	2	24	5,000 "
Keelung--Karenko (Taiwan)	2	300	2,500 "
Coastal line, East of Taiwan	2	70	700 "
Takao--the Pescadores	1	156	700 "
Shinko--Koto†	1	60	50 "
Calls of European lines (Tokyo--London)	8	24	8,000 "

* Used for 'special purposes of the Army'

† Islands to the southeast of Taiwan, a part of the government-general.
[Botel Tobago--analyst]"

4:Grajdanzev--121-122

S-4

(no date) 1942

Formosans

116, 504, 177.50

Japan

636.50

"The development of shipping demands good ports, and Taiwan is poor in natural harbor. But the government did not spare money or effort in the improvement of harbors, the best of which are Keelung and Takao through which most of the island's external trade passes. In 1929 Keelung's wharves were able to accommodate fifteen ships of 3,000 to 10,000 tons each and in addition six ships could be moored within the harbor, which was capable of handling 1,650,000 tons of cargo a year. Since that time considerable improvements have been made, and a plan of reconstruction, which [122] should be finished in 1943, foresees accommodation for forty ships at one time. Up to 1939, ¥36.4 million had been spent on the improvement of the harbor. In 1929 Takao harbor could accommodate seven ships of 5,000 tons each in berths, with seven more in the narrow but long harbor; recent construction permits accommodation of vessels of 10,000 tons, and, when the program is completed, it will be possible to accommodate twenty-nine ships at once. The cost of construction up to 1939 was ¥33.5 million. The other important ports which have undergone improvements are Karenko (east)--cost of construction ¥7.4 million; Bako (the Pescadores)--¥850,000; Soo (northeast)--¥669,000; Shinko (a fishing port in the east)--¥860,000; Shinko (west), where the works are to be finished in 1942 at an estimated cost of ¥15 million."

4:Grajdanzev--122

S-4

(no date) 1942

Formosans

116, 504, 712

"Anpin, the port of Tainan, and the canal connecting it with Tainan were to be finished in March 1940 at a cost of ¥778,000. All this does not include the considerable expenditures on naval construction in Taiwan. There are three large fortified zones on Taiwan and the Pescadores, and entrance to these is prohibited."

4:Grajdanzev--122-123

S-4

(no date) 1942

Formosans

116, 509, 177.50

Japan

636.50

"Taiwan is connected by regular airline with Japan proper and there is one air line which encircles the island. The first line connects Fukuoka (between Nagasaki and Moji, the centre of the Japanese lines radiating from Kyushu) with Taihoku (1,610 km.). Flights are made every day and, in 1938, 8,706 passengers were carried and 144,005 ton-km. of freight and mail were flown. The line is however not remunerative, although the flights of the Taiwan and Osaka businessmen and Japanese officials are subsidized by the government-general at the expense of Taiwan's taxpayers to the extent of ¥325,000 (1939).

The length of the island air lines in 1938 was about 600 km. Flights are made daily (only every second day to Pescadores) and stops are made at all important cities of the island. The number of passengers for 1937 was 6,450, but the movement [123] of freight in the same year amounted to only 570 ton-km. A subsidy of ¥360,000 was paid to these lines by the government-general in 1939, which means that each passenger was subsidized to the extent of ¥60 per flight."

"Although in comparison with Japan the island is rather poorly supplied with postal, telephone, telegraph, and radio services, the system of communications is in general well developed and reaches all important points. There are 194 post offices, 219 telegraph stations (most of them at the post offices), 222 telephone booths, and 120 telephone exchanges on the island. This represents an increase of about twenty to thirty per cent in twelve years, which corresponds roughly to the rate of population growth.

Communication Statistics for Taiwan

(Absolute figures)

	1921	1929	1936	1937	1938
Ordinary mail					
received (1,000,000)	60.1	66.3	91.7	82.3	81.8
Parcels sent (1,000)	784	695	726	783	855
Telegrams sent (1,000)	1,398	1,513	1,874	2,067	2,102
Telephone subscribers	8,948	12,122	16,371	18,674	20,251
Telephone calls (7,000,000)	38.3	56.2	113.9	129.1	136.3
Radio (sets)	...	9,152*	27,841	40,919	45,399

* Figures for 1931.

116, 205

	Per capita figures					
	1921	1929	1936	1937	1938	1937
Ordinary mail	16.2	14.6	16.8	14.7	14.2	65.1
Parcels	0.21	0.15	0.13	0.14	0.15	0.13
Telegrams	0.38	0.33	0.34	0.37	0.37	1.03
Telephone subscribers	0.0024	0.0027	0.0030	0.0033	0.0035	0.1370
Radio listeners	...	0.0019*	0.0051	0.0073	0.0079	0.0577

* Figures for 1931.

Sources: Taiwan Jijo and Dainippon teikoku tokei nenkan. "

116, 171, 205

"In seventeen years there has been no progress in the use of the means of communication by the population: the number of letters sent (per capita) fell from 16.2 in 1921 to 14.2 in 1938. while in Japan in 1937 the average was almost five times as great (65.1). In 1938 the population sent fewer telegrams [124] and parcels per capita than in 1921--only one person out of seven in Taiwan sending one parcel a year as compared with 1.13 parcels per person in Japan, and only one out of three persons in Taiwan sent one telegram a year. The number of telephone and radio users is small; there are in Japan forty times as many telephone users per capita and seven times as many radio listeners as in Taiwan. The difference may in part be explained by the absence of facilities, as may be seen from the following comparison:

• Number of Inhabitants per Post Office in Taiwan and Japan

	Taiwan	Japan
1928	25, 500	6, 900
1937	32, 200	6, 200

The number of inhabitants per post office in Taiwan in the past ten years has increased from 25, 500 to 32, 200, while in Japan it fell from 6, 900 to 6, 200 indicating that the Japanese are five times better supplied with post offices. But the scarcity of facilities alone can not explain everything."

4:Grajdanzev--124-125

S-4

(no date) 1942

Formosans-1-2

116, 162, 205, 563

"On several occasions it has been pointed out that in Taiwan there are two groups of the population, Japanese and Chinese, with quite different levels of income. Let us compare these.

Use of Communication Facilities by the Japanese and the Chinese
in Taiwan in 1938

	Total sent (1,000)		Per capita	
	By Japanese	By Chinese	Japanese	Chinese
Letters etc.	50,879	30,957	165.0	5.7
Parcels	681.2	174.0	2.20	0.032
Telegrams	1,736.2	366.1	5.560	0.068
Telephones	15,510 (units)	6,741 (units)	0.05010	0.00125

Source: Taiwan Jijo, per capita figures calculated.

It is clear that the average used in the table on page 123 are misleading, for the bulk of the letters, parcels, and telegrams are sent by the small group of Japanese living in the island, just as most of the telephones are used by them. On the average a Japanese sends 29 times as many letters, 69 times as many parcels, 82 times as many telegrams and has 40 times as many telephones as does a Chinese. An important [125] part of the letters, telegrams and telephones naturally serve official functions. It is now clear why the net-

4:Grajdanzev--124-125

S-4

(no date) 1942

Formosans-2

116, 162, 205, 563

work of post offices and telegraph offices is growing so slowly--65.4 per cent of all the Japanese on the island live in nine cities and 83 per cent in 57, all of which are well supplied with these facilities. "

116, 167, 171, 205, 563

"It is also noteworthy that the Japanese in Taiwan send on the average many more letters, parcels, telegrams and have better telephone facilities than the Japanese in Japan proper. This is an indirect proof that they are much better off than the average Japanese at home, a fact to be kept in mind when one is considering the causes for the failure of mass Japanese emigration to the island. The Japanese come to the island in order to secure a better living in Taiwan than they had at home, and not to compete with the low-paid Chinese."

"The banking system collects the liquid funds of the inhabitants and transfers them to those who can put up security and are willing to pay a certain rate of interest. Besides the deposits which are brought to them the banks may to a certain degree 'create' deposits. These operations place them at the centre of economic activity and give them power far beyond that which their own capital could otherwise confer. All banks in Taiwan are in Japanese hands. On page 127 we give in tabular form some information concerning each of the banks operating in Taiwan. "

4:Grajdanzev--126 [21

S-4

(no date) 1942

Formosans

116, 435, 453, 457

"The foremost position is occupied by the Taiwan Bank, a private corporation in charge of the monetary system of Taiwan. The great difference between the deposits of this bank and its loans is explained by the issue of banknotes, one of the many ways by which Japanese capital in Taiwan is created. The issue of notes, the reserves of gold and of foreign exchange kept by this bank, as well as the movement of wholesale prices in Taihoku, the capital, may be seen from the table on page 127.

In six and a half years the issue of notes increased three and a half times, the gold and foreign exchange reserve evaporated in the same period, and in the five years 1933-38 wholesale prices increased by about fifty per cent. "

4:Grajdanzev--126-128

S-4

(no date) 1942

Formosans

Japan

116, 426, 453, 656, 177.42

636.42

"Another bank whose loans are far above deposits is Nippon Kangyo Bank, or the Japanese Bank for the Encouragement of Business. Actually this bank is a mortgage institution and [128] is in the forefront of the organizations which extend Japanese control over real property in Taiwan."

"Position of the Taiwan Banks on June 30, 1939

	Paid-up capital (1,000 yen)	Reserves (1,000 yen)	Rate of net profit in 1938	Deposits (1,000,000 yen)	Aggregate loans (1,000,000 yen)
--	--------------------------------------	----------------------------	-------------------------------------	--------------------------------	--

Banks with head-
offices in Taiwan:

Taiwan Bank	13,250	8,200	19.5	109.4	233.4
Taiwan Shoko (Comm. and Indust.)	2,590	904	12.7	60.3	65.4
Shoka Bank	2,840	1,168	7.7	39.8	36.4
Kanan (South China) Bank	1,875	378	9.3	4.3	7.2
Taiwan Chochiku (Savings) Bank	250	132	15.6	20.1	17.8

Banks with head-
offices in Japan:

Nippon Kangyo Bank	116,213-	140,213	¥ 193,000*	3.9*	107.3*
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Position of the Taiwan Banks on June 30, 1939 Cont.

	Paid-up capital (1,000 yen) -(1937)	Reserves (1,000 yen)	Rate of net profit in 1938	Deposits (1,000,000 yen)	Aggregate loans (1,000,000 yen)
(Mortgage Bank of Japan)					
Sanwa	72,200	35,710	¥ 955,000*	32.5*	18.6*
Total	<u>20,680†</u>	<u>10,782†</u>	¥ 4,300,000	<u>270.3</u>	<u>486.1</u>

* Branches in Taiwan alone.

† Excluding Sanwa and Nippon Kangyo Bank, which are domiciled in Japan."

"Note Issue of Taiwan Bank and Wholesale Prices in Taiwan

	Notes (1,000 yen)	Subsidiary coins and notes (1,000 yen)	Total (1,000 yen)	Gold and foreign exchange reserve (1,000 yen)	Index of whole- sale prices in Taihoku, 1914 = 100, Annual average
1933 end	48,994	6,518	55,512	15,885	148.6
1934 "	62,654	6,807	69,461	15,885	154.9
1935 "	70,191	7,163	77,354	15,987	157.6
1936 "	79,138	7,455	86,593	15,885	163.1
1937 "	112,033	8,634	120,667	21	188.7
1938 "	140,019	11,732	151,751	1,219	215.7
1939 "	171,169	14,596	185,765	...	238*
1939, May	140,195	12,750	152,945	...	219.
1940, "	174,309	15,605	189,914	...	255

* In 1937 the base was shifted to June 1937, but we have converted later indices to the old base, assuming that the index for June 1937 is the same as the annual average index."

4:Grajdanzev--128
116, 453, 458, 511; 563

S-4

(no date) 1942

Formosans -1-2

"The banks enumerated above [see page 127 in category 116--analyst] are Japanese, and the only institutions in which the Chinese have some measure of influence are the credit cooperatives, which will be discussed later. The table below summarizes information on deposits of all financial institutions of Taiwan.

Growth of Deposits of Financial Institutions in Taiwan

(1, 000, 000 yen)

	1926	1928	1930	1932	1934	1935	1939
Banks	102.9	111.9	101.2	133.2	152.2	173.0	270.3
Post office	9.1	13.3	16.5	18.1	21.4	23.7	34.8*
Credit cooperatives	28.0	34.9	34.6	47.7	65.5	77.9	118.2†
Total	<u>140.0</u>	<u>160.1</u>	<u>152.3</u>	<u>199.0</u>	<u>239.1</u>	<u>274.6</u>	<u>423.3*†</u>

* Post-office savings deposits on Dec. 31, 1938.

†Of which rural credit cooperatives accounted for ¥87,230,000 on Dec. 31, 1938.

The amount of deposits in Taiwan has thus trebled in thirteen years. In order to judge whether this is a sign of a sharp improvement of the economic position of the islanders, it is necessary to know (1) whether the increase in deposits comes chiefly from Japanese or from Chinese sources, (2) whether the increase in deposits of the Chinese is a real

4:Grajdanzev--128
116, 453, 458, 511, 563

S-4

(no date) 1942

Formosans-2

increase, or whether it only reflects a change of habit (it is evident that the transition from subsistence to money economy is bound up with the increase of deposits at the banks), (3) how far this increase may be ascribed to war-time inflation.

We do not have complete data on the distribution of deposits between Japanese and Chinese, but what is available throws some light on the problem.

Distribution of Deposits in Banks and Post Offices
(million yen)

	Banks		Post offices	
	Chinese	Japanese	Chinese	Japanese
1926	33.0	69.8	2.6	6.6
1935	51.2	121.7	4.9	18.8
1938	...	...	6.9	27.9 "

"Deposits in cooperatives belong chiefly to the Chinese, but no data are available either on the exact composition by nationality of the depositors or on their number. The table given above shows that between 1926 and 1935 the growth of Japanese banking and postal deposits was more rapid than that of the Chinese and that in 1935 about seventy-two per cent of all deposits in the banks and post offices belonged to the Japanese. But in order to see whether there is a real gain we should know the number of the depositors or the average deposit. We have such data only for the post offices.

Average Amount of Savings per Depositor in Post Offices

(in yen)

	1921	1929	1934	1938	
Japanese	33.3	51.0	146.5	89.5	(1937)*
Chinese	8.2	16.6	14.2	13.8	

* Data for the Japanese beginning with 1936 show a strange change: the number of depositors rises sharply without a corresponding increase in the total amount of the deposits. For 1938 the number of non-Chinese depositors is shown as 394,000, while the whole Japanese population in Taiwan is only 308,000. It may be that the increase of more than 100,000 Japanese depositors with a very small increase in deposits reflects the stationing of a larger number of troops in Taiwan.

Calculated from data given in Taiwan Jijo.

Comparison of the deposits of the Japanese and the Chinese shows (1) that the Japanese deposits are from seven to ten times larger on the average than the deposits of the Chinese; (2) that the average size of the Chinese deposits has not shown any increase since 1929, especially if we take the rise in prices into consideration; (3) that the absolute amount of Chinese deposits is so small that it hardly indicates any great prosperity. When the farmer buys fertilizers and sells a larger and larger part of his produce on the market, he will not keep his savings in the form of silver but will prefer to keep it in the bank where it is safer. This is, however, not necessarily a sign of economic improvement.

On the other hand, a comparison of the note issue and the index of wholesale prices suggests that a large part of the increase in deposits in the war years is purely illusory. If a [130] business man is compelled by the conditions obtaining in his business to have in his account a certain sum of money, then with the rise of wholesale prices he has to increase his deposits in order to be able to satisfy his needs to the same extent as before. But this again can hardly be considered as a sign of 'prosperity', at least for the society as a whole."

"The money which the banks and credit cooperatives collect is lent to the business men and farmers, and here one finds a great difference in the position of the big firms and the small farmers or artisans. The banks serve chiefly Japanese firms, and their credit requirements differ little from those in Japan. Small business men secure their credit in urban credit societies which sometimes charge as much as thirteen per cent and usually ten per cent, while rural credit societies usually charge twelve per cent and in the worst cases seventeen per cent. (1) But both urban and rural credit societies grant

1. These rates are taken from Sangyo kumiai nenkan, 1938, Tokyo. K. Takahashi asserts that the usual rate for mortgages on real property is 15 per cent, op. cit. p. 601).

such credit only on good security, so that the demand of many farmers for credit remains unsatisfied and they are compelled to apply for loans to private individuals who charge twenty to twenty-five per cent, and as Takahashi remarks, cases where more than twenty-five per cent is charged are not rare.

This brief survey is sufficient to show that the modern banks in Taiwan help to collect money from the population and loan it at a relatively low rate of interest to the big Japanese firms, while the Chinese have to apply for loans to other sources where they pay two to five times as high a rate of interest as that which the Japanese firms pay.

116, 426, 453, 563, 477

The importance of this fact cannot be overemphasized. The Chinese enterprises are unable to compete with the Japanese, not so much because the Chinese are 'unable to organize corporations' on account of their 'national characteristics,' [rationalizations given by Takahashi for the domination of industry by the Japanese see pages 112-113 in category 116--analyst] but because their financing costs them two to five times as much as it does the Japanese enterprises."

4:Grajdanzev--131
116, 439, 652, 177.65
636.65

S-4

(no date) 1942

Formosans
Japan

"It might seem more appropriate to examine Taiwan's public finances in a later chapter after a survey of the administrative machinery and its functions. However, one important consideration makes it necessary to consider them here. Our investigation of Taiwan's economy cannot be considered complete without an examination of its external trade, which plays a very important part in the life of the islanders. But the exceptionally heavy movement of goods from the island to Japan cannot be understood simply on the basis of trade or the structure of Taiwan's economy. Certain non-economic factors must be examined before a satisfactory explanation of the movement of commodities can be made. By far the most important among these factors is the government budget, which involves tremendous sums--judging by the standards of the islanders."

4:Grajdanzev--131-132

S-4 (no date) 1942

Formosans

116, 652, 177.65

Japan

636.65

"In 1937, ... the gross value of production of the island was officially estimated at 890 million yen, while the gross revenue of the state for the same year was 203 million yen. If one takes into consideration the fact that the prevailing standards of life in Taiwan are oriental and that most of the families have little, if any, surplus, then a system which succeeds in squeezing out a gross revenue of 203 million yen for the state should be recognized as a remarkable achievement which the administrators of other colonial possessions might well envy. The fiscal system in Taiwan is a powerful instrument with which to extract from the population wealth which cannot be got by ordinary economic means. Of course, if the sums received in this way are applied for the benefit of the subjects themselves, a redistribution of income which fol-[132] lows may in certain cases be recognized as beneficial. If, for example, money which would otherwise be spent by the taxpayers on liquor is spent on the education of the taxpayers' children the results will be recognized as beneficial by most people. Thus we should know not only how much money is collected by the colonial administration, but also how it is spent."

4:Grajdanzev--132
116, 127, 652, 177.65
636.65

S-4

(no date) 1942

Formosans
Japan

"Before giving tables of the revenue and expenditures of the government-general, a few explanatory remarks should be made. (1) We give only net revenue (or expenditures) for the fiscal monopolies (1), railway communications, forests, hospitals, etc., because

1. In Taiwan fiscal monopolies include salt, camphor, opium, tobacco, and alcohol.

gross revenue figures give an exaggerated value to these items; (2) on the expenditure side we have changed the classification according to the purpose of the expenditures and all 'extraordinary' revenues and expenditures we combined with ordinary ones in order to give a more complete picture. The official heading, for example, 'grants to the sufferers from natural calamities' is misleading. One might assume that this represents aid rendered by the state to the local population, but on closer inspection one sees that a greater part of this item in the last year was made up of grants to the railways. Under the heading of 'building and repairs' (eizen hi) we find expenditures on airfields (more than one million yen) out of all proportion to the number of passengers carried (about 40 passengers per day), not including subsidies to airlines.

Unfortunately we cannot disentangle many other large items in view of the absence of information, and consequently, the amounts given represent a minimum for certain expenditures (war, police, 'subsidies' to business men, etc.) and if data were available they might be of much larger proportions."

4:Grajdanzev--132-133
116, 631, 652, 177.65
636.65

S-4

(no date) 1942

Formosans
Japan

"First of all let us compare the gross revenue of the government-general, provinces and municipalities, in order to secure a clear idea of their relative importance. [133]

Public Revenues for 1939 (Budget Estimates) (1)

1. Of course, there are probably cases of double counting in this table, e.g. a grant-in-aid from the government-general to provinces may appear in the budget of the government-general and also in the provincial budgets.

	In 1,000 yen	Percent of total
Government-general	208,602	74.4
Provinces	34,610	12.4
Municipalities	36,961	13.2

Thus three-fourths of all revenues pass through the hands of the government-general; compared to it the local administration is of trifling importance, and we may therefore concentrate our attention chiefly on the budget of the government-general."

4:Grajdanzev--133-134

S-4

(no date) 1942

Formosans-1-2

116, 651, 177.65

Japan

636.65

"The sources of revenue of the government-general for the last five years are as follows:

Revenue of the Government-General in 1,000 Yen (1)

1. Including net income from monopolies, railways, communications, forests, textbooks, weights and measures, hospitals.

	1935	1936	1937	1938	1939	1940
					budget	approx. budget
	settled	accounts		budget	estimates	estimates
Taxes(a)	53,978	64,173	72,567	81,873	78,170	93,000
Net Revenue from railways, commun.	12,395	12,888	13,296	16,904	15,250	—
Loans (b)	—	—	—	—	6,400	6,000
Others	5,834	7,007	6,564	9,397	8,420	—
Surplus from the preceding year	29,441	32,605	41,833	46,392	18,373	25,934
Total	101,648	116,673	134,260	154,566	126,613	—

a) Including net profits of monopolies and receipts of stamp duty.

b) Loans were often floated by the government-general before 1939, but were not

4:Grajdanzev--133-134

S-4

(no date) 1942

Formosans-2

116, 651, 177.65

Japan

636.65

included in the general budget because they were made for special purposes. This item, however, represents a deficit. The debt of the government-general, at the beginning of 1939, probably stood at about Y 94 million.

Insofar as the 'surplus from the preceding year' cannot be considered as an independent source of revenue, it is clear that the greater part of the revenue of the government comes from taxes (including fees and fines). If we add the taxes to be collected by the provinces and municipalities, the total amount [134] of revenue from taxes was 124.3 million yen for 1938 and 122.5 million yen for 1939--large amounts for an oriental island, agricultural in character, and with a population of only six millions(2). Compared with

2. An official investigation of farmer's budgets made in 1936 revealed that direct taxation of farmers in Taiwan is twice as high as in Japan (Nasu, op. cit.).

1935 the amount of taxes to be collected from the population in 1938 increased by 52%, and this increase was resumed in 1940 and 1941."

4:Grajdanzev--134-136
116, 434, 565, 651, 177.65
 636.65

S-4 (no date) 1942

Formosans-1-5
 Japan

"Taxes may be of different types--some falling chiefly on the rich, whose ability to pay is, of course, greater than that of the average farmer. We do not have necessary information for a detailed analysis of how the tax burden is distributed between these two groups, but what is available gives clear indications. We have divided the taxes into two groups: (a) taxes on the recipients of large incomes; (b) taxes on the masses.

Taxation and Net Monopoly Receipts in 1,000 Yen

A. Taxes on the recipients of high incomes:

	1935	1936	1937	1938	1939
		settled accounts		budget	budget estimates
Income Tax	3,873	5,285	9,538	13,024	12,395
Tax on capital		5	189	352	855
Mining Tax	200	203	291	353	327
Special profit tax	1,016	1,575	2,761	4,979	2,444
Tax on distribution of dividends		335	425	394	850
Inheritance tax			105	279	305
Total	5,089	7,403	13,309	19,381	17,176

4:Grajdanzev--134-136
116, 434, 565, 651, 177.65
 636.65

S-4

(no date) 1942

Formosans-2
 Japan

B. Taxes on the masses of the population:

	1935	1936	1937	1938	1939
	settled accounts			budget	budget estimates
Land tax	7,492	7,742	7,938	8,342	8,342
House tax					1,312
Business tax a)			2,931	3,290	2,726
Tax on sugar	3,320	3,461	4,050	6,702	5,215
Tax on alcohol b)	3,698	3,845	2,913	169	100
Taxes on other commodities	2	177	275	393	826
Customs duties and other duties connected with them	2,611	3,326	2,574	1,846	1,817
Stamp duty	5,107	7,271	7,220	7,653	5,926
Monopolies, net receipts	24,555	28,968	29,652	32,845	32,568
Net profits from text-book sales c)	103	29	75	74	24

4:Grajdanzev--134-136 S-4 (no date) 1942

116, 434, 565, 651, 177.65
636.65

Formosans-3
Japan

[135]	1935	1936	1937	1938	1939
	settled accounts			budget	budget estimates
Profit on weights and measures d)	179	209	206	331	341
Fines and confiscations e)	1,091	529	224	362	224
Tax on railway fares				205	202
Admission ticket tax				116	124
Tax on construction					152
Amusement tax					188
Other taxes	731 f)	1,213 f)	1,200 f)	164	907
Total	48,889	56,770	59,258	62,492	60,994
The same as percentages of total					
Group A.	9.4	11.5	18.3	23.6	22.0
	90.6	88.5	81.7	76.4	78.0

a) We include business taxes in this group because it is legitimate to suppose that they are shifted by the business men to the population.

b) The fall of receipts from the tax on alcohol in the last two years is due to the introduction of a state alcohol monopoly.

4:Grajdanzev--134-136
116, 434, 565, 651, 177.65
636.65

S-4

(no date) 1942

Formosans-4
Japan

c) Formally this is not a tax, but a surplus remaining after deduction of expenditures on printing of textbooks from receipts. However, state profits derived from the sale of textbooks to school pupils hardly can be considered otherwise than a tax.

d) As in the preceding item this represents a surplus from a form of fiscal monopoly.

e) Formally fines and confiscations are not taxes. But their regularity (they are foreseen in the budget) and their amounts show they are not 'casual' receipts. They fall, mainly, on the Chinese population.

f) Chiefly receipts from the taxation of surplus issues of Bank of Taiwan notes.

From this table it may be seen that about 80 to 90 percent of the taxes fall on the masses of the population and only 10 to 20 percent on the wealthier groups. The percentage of taxes contributed by the well-to-do rose from 9.4 in 1935 to 22.0 in 1939, but it would be a mistake to suppose that this implies a change of policy: the exigencies of war-time and the already oppressive burden of taxes on the masses make it more and more difficult to increase that burden. Under these conditions, heavier taxation of the rich is a necessity, but the government prefers to borrow from them, not to tax them: the loans amounted to six million yen in 1939 and are expected to amount to 17 million yen in 1941.

The actual tax-burden on the masses as compared with the wealthy is considerably

4:Grajdanzev--134-136
116, 434, 565, 651, 177.65
636.65

S-4

(no date) 1942

Formosans-5
Japan

greater if we include provincial and [136] local taxes. We have no data on the exact distribution of local taxes, but provincial taxes can be measured. Provincial taxes are surtaxes, calculated as a percentage of the corresponding government-general taxes. Their rates are as follows:

Surtax on income tax	18%	of income tax
Surtax on land tax	90-100%	of land tax
Surtax on business tax	70-80%	of business tax
Surtax on house tax	120-150%	of house tax

These rates show that surtax on income tax (which falls chiefly on the recipients of high incomes) is only 18%, while surtaxes on taxes falling on the masses of population range from 70 to 150%."

"We have no data on municipal taxes, but judging by those of the government-general and the provinces, the system is the same as in Japan, where municipal taxes in the budget of 1939 were distributed in the following way:

Land tax	11 . %
House tax	17.3%
Business tax	11.7%
Miscellaneous taxes	11.9%
Special tax	42.5%
Other Income tax	5.6%
Total tax receipts	100.0%"

"The special tax is a combination of property and income tax, but it cannot play an important part in local taxation in Taiwan because as a rule the recipients of large incomes in Taiwan do not live there--their residences being in Japan proper. Consequently this tax falls chiefly on the middle and lower brackets, so that the chief burden of local taxation falls on the masses to an even greater degree than in the case of the taxes of the government-general.

We cannot calculate the general incidence of taxation in Taiwan, but we can get an idea of the burden it represents in the following way: land taxes in the 1939 budget total about 22,350,000 yen (1). In this figure are included taxes on improved land, forest land, fish

1. This figure is arrived at as follows: (a) the land tax of the government-general is 8,342,000 yen; (b) the provincial land tax is 7,805,000 yen; (c) we have no figure for the local land tax, but we assume that the relationship is about the same as in Japan proper, which would give a figure of 6,200,000 yen. Thus the total amount of taxes on land is about 22,350,000 yen.

ponds, and other land to the amount of [137] 3,060,000 yen (2). Thus, 19,280,000 yen are

2. The taxes of the government-general on lands of this kind amount to 1,143,000

4:Grajdanzev--136-137

S-4

(no date) 1942

Formosans-2

Japan

116, 651, 177.65

636.65

yen, but insofar as provincial and local taxes bear a definite relation to the basic tax, the total is estimated to be about 3,060,000 yen.

paid on 856,900 ko of taxable land, i.e. 22.5 yen per ko. Since the agricultural population of the islands represents about 60% of the total population, the average amount of land per person in the agricultural population of Taiwan is about 0.37 ko (about 0.9 acres). A tax of 22.5 yen per ko is equal to one and a half to two months' wages of an agricultural worker (3); and the levy on land is only one among many taxes.

3. Daily wages of an agricultural worker are about 0.80 sen; monthly, 8 yen to 18 yen. Source: Taiwan Jijo.

But as was mentioned above, it is important to know for what purposes the sums collected are applied. The harshness of taxation may be mitigated by beneficial ways of spending the revenue."

4:Grajdanzev--137-138
116, 465, 652, 177.65
636.65

S-4

(no date) 1942

Formosans-1-5
Japan

"The expenditures of Taiwan government-general may be classified as follows:
Expenditures of the Government-General (1, 000 Yen) (1)

1. Source: Okurasho Nempo.

Purpose ^a	1935	1936	1937	1938	1939
		settled accounts		budget	budget estimates
Government-general	1,758	1,939	2,289	2,232	2,416
Grants to local governments	14,704	14,985	15,733	16,171	16,648
Pensions	4,915	4,898	5,088	5,190	5,414
Public finance ^b	9,210	8,623	9,412	9,920	14,315
Police, court, prison ^c	4,474	4,547	5,437	5,534	5,342
General hygiene, hospitals ^d	716	572	833	978	1,204
Education	4,720	5,096	5,499	4,119	4,840
University ^e	295	322	349	3,236	3,797
Research and Investigations	2,630	2,570	3,055	3,186	3,929

4:Grajdanzev--137-138
 116, 465, 652, 177.65
 636.65

S-4 (no date) 1942

Formosans-2
 Japan

	1935	1936	1937	1938	1939
		settled accounts		budget	budget estimates
Railroads and roads (new construction)	7,136	8,537	8,475	9,839	9,588
Ports, rivers	9,113	9,625	10,669	9,120	13,327
Communications (new construction)	717	1,623	1,718	1,442	1,798
Help to sufferers in natural calamities	2,894	435	600	1,272	326
Development of State lands	204	193	335	445	497
Rice control	405	1,180	1,218	121	2,217
War	287	2,017	8,727	18,299	21,150
Meteorological stations [138]	73	94	278	507	890
Propaganda	146	155	427	1,228	1,957
of which for 'spiritual mobilization'			37	57	60

4:Grajdanzev--137-138
116, 465, 652, 177.65
636.65

S-4

(no date) 1942

Formosans-3
Japan

	1935	1936	1937	1938	1939
		settled accounts		budget	budget estimates
'Expenses of establishments (<u>shisetsu</u>) in South China and the South Seas'	583	618	1,080	2,046	4,074
Secret funds	181	176	176	159	190
Encouragement of industry	3,969	5,707	5,873	9,058	11,468
Temples and shrines	709 ^f	134	349	377	599
Total	69,839	74,046	87,620	104,479	125,986

- The classification offered here is in most cases quite different from the official one; see below for explanations.
- Chiefly debt service and the cost of tax collection.
- Not including those paid from the budget of local governments.
- These are net expenditures, receipts from the patients are deducted.
- As will be shown later, the University serves chiefly the Japanese. It existed before 1938, but the expenditures were not disbursed from the budget of the government-general.

4:Grajdanzev--137-138
116, 465, 652, 177.65
636.65

S-4 (no date) 1942

Formosans-4
Japan

f) Includes expenditures on the memorial exhibition ('Forty years of Japanese rule').
To this it is useful to add the table of expenditures of provincial and local governments:

Expenditures of Provincial and Local Governments (1,000 Yen)

	1938 budget	1939 budget estimates
Cost of government, including police	8,289	7,630
Debt service	4,389	4,413
Education	13,177	14,144
Hospitals and hygiene	5,447	5,193
Encouragement of industry	5,172	6,488
Guards	757	1,110
Public Works	7,156	7,052
Repairs	6,796	4,361
Shrines	146	103
Other expenditures	19,827 ^a	21,159 ^a
Total	71,156 ^a	71,653 ^a

a) This includes several millions in cases of double counting

4:Grajdanzev--137-138

S-4

(no date) 1942

Formosans-5

116, 465, 652, 177.65

Japan

636.65

(grants from the provincial governments to local ones), but we have no means of tracing them."

4:Grajdanzev--138-139
116, 563, 659, 723, 177.65
636.65

S-4 (no date) 1942

Formosans-1-2
Japan

"The expenditures on the government apparatus, including police, courts, prisons, and pensions are chiefly, in some cases [139] exclusively, expenditures on the Japanese staff and for the benefit of the Japanese. All important government positions are occupied by Japanese and their salaries are much higher than those of the Chinese. Expenditures on roads, railroads, and communications, of course, benefit the local population as well as the Japanese, but as was shown in preceding chapters, these improvements are used chiefly by the Japanese or for commerce with Japan which brings little net gain to the islanders. Expenditures on ports are out of all proportion to the needs of the island. Their function is, as the Japanese openly announce, to serve as a base for the advance to the South, and such expenditures have little to do with the welfare of the islanders. Expenditures on rice control are again expenditures in the interest of Japan proper for this system has in view simply the interest of Japanese. In the war expenditures we have included expenditures on airfields, on Red Cross activities, on air defense and contributions to the war chest of Japan. These expenditures grew from the modest figure of 287,000 yen in 1935 to 21,150,000 yen in 1939; thus Taiwan contributes to the conquest of China by the Japanese. In the war expenditures should be included expenditures on meteorological stations. Their remarkable growth from 73,000 yen in 1935 to 900,000 yen in 1939 is explained not by any interest in meteorological phenomena, but by the

4:Grajdanzev--138-139 S-4

(no date) 1942

Formosans-2

116, 563, 659, 723, 177.65

Japan

636.65

needs of the Japanese military aviation. Taiwan lies in the path of typhoons and information on weather conditions there is of extreme value to the Japanese forces in China. "

4:Grajdanzev--139 S-4

(no date) 1942

Formosans

116, 171, 208, 658, 177.20

Japan

636.20

"Analogous to the war expenditures are the related expenditures on propaganda. In this group we included expenditures on broadcasting, including construction of new stations, on 'social education,' and on the 'spiritual mobilization of the population'. There may be some who wonder whether the expenditures on radio-broadcasting stations may be properly considered as expenditures on propaganda. But while in Japan the users of radio receivers must pay a certain annual fee, in Taiwan broadcasting is free because the government considers it a powerful instrument for 'spiritual mobilization' and for the Japanization of the population."

4:Grajdanzev--139-140

S-4

(no date) 1942

Formosans

116, 648, 659, 177.72

Japan

636.72

"Expenditures for the penetration of Southern countries and [140] 'secret funds' are scarcely likely to benefit the Chinese population of Taiwan."

4:Grajdanzev--140
116, 563, 656, 177.47
636.47

S-4

(no date) 1942

Formosans
Japan

" 'Encouragement of industry', on which the government planned in 1939 to spend 11.5 million yen from the general budget and 6.5 million from local budgets, consists of subsidies to Japanese industrialists and entrepreneurs in general. The budget for 1939, for example, provided for the following grants to Japanese companies: 1,743,000 yen to oil companies, 1,447,000 to shipping lines, 1,640,000 to airlines, 72,000 to private railways, 629,000 to gold producers. It is clear that these expenditures enriching the Japanese entrepreneurs give at best, as was shown above, low-paid work for the Chinese."

4:Grajdanzev--140 [2] S-4

(no date) 1942

Formosans

116, 346, 563, 659, 177.65

Japan

636.65

"The shrines and temples mentioned above are not Chinese temples, but Japanese shrines, including a shrine to the spirits of the war-dead on which 100,000 yen was expended in 1939. It may be interesting to note that construction of Japanese shrine in Taito (1937-1939) was to cost 1,078,000 yen, while the appropriations for the Chinese temple of Confucius in Taihoku (1935-1936) amounted to only 20,000 yen. "

"Expenditures on the health and education of the population occupy a rather modest place in the budget of the government-general, and their part in total expenditures is falling, as the following figures show: (percentages of total expenditures)

	1935	1936	1937	1938	1939
Education ^a	6.8	6.9	6.3	4.5	3.8
Health	1.0	0.8	1.0	1.1	1.0

a) Expenditures on the University are not included here as before 1938 they were not included in the general budget, and we have no data on them.

However, it should be pointed out that the bulk of these expenditures passes through local budgets--14,144,000 yen on education and 5,193,000 on health in 1939."

4:Grajdanzev--140 [4] S-4

(no date) 1942

Formosans

116, 654, 177.81

Japan

636.81

"Attention should also be paid to the considerable amounts spent by the government on research and investigation. A special institute has been established, which centralizes the research on the island and considerable sums are spent on research into new uses for natural gas, on sugar and sugar cane research, and on war industries."

4:Grajdanzev--140-141 S-4 (no date) 1942

Formosans

116, 648, 652, 659, 723, 177.65

Japan

636.65

"The large expenditures on railways and communications, on research, on investments in the South Seas, etc., show what importance the Japanese attach to the part of Taiwan in the schemes for an advance to the South. The money [141] collected in the Taiwan budget--almost 200 million yen--is thus mainly used, on the one hand, for the construction of the all-important base for Japanese penetration in the South Seas, on the other, for the purchase of Taiwanese products to be sent to Japan (1).

1. In the last few years the Japanese government has started the practice of direct contributions by the Taiwan Treasury to the Japan's Treasury. The sum appropriated in Taiwan's budget for 1941, for example, is 24.5 million yen. "

4:Grajdanzev--142

S-4

(no date) 1942

Formosans

116, 439, 177.43

Japan

636.43

"We use the term 'external trade' of Taiwan because trade with Japan, cannot from the legal point of view be considered as 'foreign' trade. Throughout the following pages 'external trade' includes the trade of Taiwan with all other countries (including Japan)."

Taiwan's External Trade (In Million Yen)

	Export	Import
1896-1900 average	14.6	18.1
1901-1905 "	20.9	22.1
1906-1910 "	39.4	36.6
1911-1915 "	63.0	56.6
1916-1920 "	158.1	117.0
1921-1925 "	205.3	136.5
1926-1930 "	252.0	186.8
1931-1935 "	273.3	194.7
1936 "	387.9	292.7
1937 "	440.2	322.1
1938 "	456.5	366.7
1939 "	592.9	408.7

In 42 years exports increased from 14.6 million yen (average for 1896-1900) to 592.9 million in 1939, and imports from 18.1 million to 408.7 million for the corresponding dates, an increase of 41 and 23 times respectively. This trade is distributed among countries as follows: [143]

4:Grajdanzev--142-144
116, 439

S-4

(no date) 1942

Formosans-2

	1896- 1900 average	1911- 1915 average	Exports 1926- 1930 average	1936	1937	1938	1939
Great Britain	1	877	1,053	1,372	2,095	1,499	817
France		539	289	241	250	221	194
Germany		978	76	84	83	239	329
Italy			777	2	0	8	279
U. S. A.	659	5,689	4,866	6,146	6,420	4,141	9,365
Br. India	2	129	13	221	175	36	29
Australia		46	35	421	569	282	220
Canada		299	10	117	224	67	114
Dutch East Indies		880	4,103	370	325	246	259
China	9,182	3,864	19,529	7,879	5,575	7,972	33,840
Hongkong	1,869	419	4,553	2,667	3,333	700	142
Manchoukuo				851	1,356	5,180	8,703
Kwantung		59	938	4,008	4,903	14,144	27,417
Japan	2,860	49,122	215,210	358,895	410,259	420,104	509,745
All others	6	120	518	4,675	4,608	1,615	1,216
Total	14,579	63,020	251,970	387,949	440,175	456,454	592,939

	1891- 1900 average	1911- 1915 average	Imports 1926- 1930 average	1936	1937	1938	1939
Great Britain	1,326	2,340	3,083	392	792	204	146
France	7	25	57	51	96	131	
Germany	212	998	7,213	3,327	1,203	1,165	1,585
Italy		5	86				18
U. S. A.	957	1,252	3,413	2,908	2,934	2,550	1,750
Br. India	407	1,876	8,475	3,199	2,957	3,206	3,853
Australia	71	35	471	234	4		57
Canada		3	499	446	281	18	155
Dutch East Indies	37	311	2,365	1,843	3,282	2,101	4,529
China	6,771	6,970	25,893	8,622	6,201	1,954	4,253
Hongkong	536	100	76	126	95	6	7
Manchoukuo				19,618	17,185	17,817	22,082
Kwantung		494	2,352	6,878	7,088	7,891	10,299
Japan	4,888	40,071	127,666	243,832	277,895	327,950	357,608
All others	2,878	2,128	5,188	1,210	2,111	1,666	2,308
Total	18,090	56,608	186,837	292,686	322,124	366,659	408,650

[144] Trade By Countries In Percentages of Total
Exports

	1896-1900	1926-30	1936	1937	1938	1939
Great Britain	0.0	0.4	0.4	0.5	0.3	0.2
France	0.0	0.1	0.1	0.1	0.0	0.0
Germany	0.0	0.0	0.0	0.0	0.1	0.1
Italy	0.0	0.3	0.0	0.0	0.0	0.0
U. S. A.	4.5	1.9	1.6	1.5	0.9	1.6
Br. India	0.0	0.0	0.1	0.0	0.0	0.0
Australia	0.0	0.0	0.1	0.1	0.1	0.0
Canada	0.0	0.0	0.0	0.1	0.0	0.0
Dutch East Indies	0.0	1.6	0.1	0.1	0.1	0.1
China	63.1	7.8	2.0	1.3	1.7	5.7
Hongkong	12.8	1.8	0.7	0.7	0.2	0.0
Manchoukuo	0.0	0.0	0.2	0.3	1.1	1.5
Kwantung	0.0	0.4	1.0	1.1	3.1	4.6
Japan	19.6	85.5	92.5	93.2	92.0	86.0
All others	0.0	0.2	1.2	1.0	0.4	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

4:Grajdanzev--142-144

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(no date) 1942

Formosans-5

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	Imports					
	1896-1900	1926-30	1936	1937	1938	1939
Great Britain	7.3	1.7	0.1	0.2	0.1	0.0
France	0.0	0.0	0.0	0.0	0.0	0.0
Germany	1.2	3.9	1.1	0.4	0.3	0.4
Italy	0.0	0.0	0.0	0.0	0.0	0.0
U. S. A.	5.3	1.8	1.0	0.9	0.7	0.4
Br. India	2.3	4.5	1.1	0.9	0.9	1.0
Australia	0.4	0.3	0.1	0.0	0.0	0.0
Canada	0.0	0.3	0.2	0.1	0.0	0.0
Dutch East Indies	0.2	1.3	0.6	1.0	0.6	1.1
China	37.4	13.8	2.9	1.9	0.5	1.0
Hongkong	3.0	0.0	0.0	0.0	0.0	0.0
Manchoukuo	0.0	0.0	6.7	5.4	4.9	5.4
Kwantung	0.0	1.3	2.4	2.2	2.2	2.5
Japan	27.0	68.3	83.4	86.3	89.4	87.6
All others	15.9	2.8	0.4	0.7	0.4	0.6
Total	100.0	100.0	100.0	100.0	100.0	100.0"

4:Grajdanzev--144-146
116, 439, 656, 722, 177.43
636.43

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Formosans-1-3
Japan

"These tables [pages 143-144 in category 116--analyst] are of some value beyond the topic of immediate interest. Elaborate theories of international trade have been constructed, the purpose of which is to explain the movement of international trade as distinct from internal trade, but these theories pay little or no attention to factors of political control which are so often of paramount importance in this sphere. Before the occupation of Taiwan, Japan occupied a very modest [145] place in the trade of the island and even after the conquest, her share was at first small; in the period 1896-1900 imports from Japan made up on the average only 27 percent of the total and exports to Japan, only 19.6 percent. It is true that these figures are rather too low because of the absence of data on Japan's trade in 1896, but if these data were available, they would probably increase Japan's share by only 4 or 5 percent. The fact is that even after the occupation of the island, and in spite of the presence of large detachments of troops and swarms of Japanese officials and adventurers, trade continued for some time to flow chiefly in the old channels. However, this situation was soon changed. In 1926-1930 exports to Japan amounted to 85.5 percent of total exports and in 1937 reached a maximum of 93.2 percent, a figure probably unsurpassed in the history of other colonial countries. The same development was achieved in imports. In 1926-30 Japan's share was 68.3 percent, in 1931-35 it was 83.4, and in 1938 it reached a maximum of 89.4. The slight fall

4: Grajdanzev--144-146
116, 439, 656, 722, 177.43
636.43

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(no date) 1942

Formosans-2
Japan

in Japan's share in 1938 and 1939 is apparent rather than real, for in these years Kwantung, Manchoukuo, and maritime China became to all intents and purposes Japanese colonies and for the Japanese in Taiwan it makes no difference from the point of view of profits and foreign exchange whether they trade with Japan or with these regions. In 1939 the share of this 'yen bloc area' of Taiwan's trade was 97.8 percent of her exports and 96.5 percent of her imports. For comparison let us look at the share of China. In 1896-1900 her share in Taiwan exports averaged 63.1 percent, in 1926-30, only 7.0, in 1936, 2.0, and in 1937, 1.3. The same picture appears in the case of imports, for which the corresponding percentages are 37.4, 13.8, 2.9, and 1.9. China is near, --just across the Taiwan Strait, her population is vast her cities are growing, her products are held in high esteem by the Chinese population of the island, she is in great need of Taiwan's products, and yet the trade between these two regions continued to fall catastrophically. But in 1937-1938 the most important points on the Chinese coast were occupied by the Japanese. By 1939 the area under the latter's domination has increased further, and a surprising change is occurring [sic]--the trade of Taiwan with China now shows a remarkable increase.[146] In 1937 exports from Taiwan to China were valued at 5,575,000 yen, but by 1939 they had risen to 33,840,000. Imports from China in 1938 were valued at 1,954,000 yen, in 1939, at 4,253,000. Although China experienced war in the last three years, though many of her cities were ruined, and the purchasing power of the population has fallen, the trade is better than at the start of the conflict. The reason for this reversal

4:Grajdanzev--144-146

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Formosans-3

116, 439, 656, 722, 177.43

Japan

636.43

lies not in the economic situation; it is rooted in the change in the political conditions for now maritime China is virtually a Japanese colony.

This will help us to understand why the foreigners--British, Americans, and others--were gradually ousted from Taiwan. Before 1895 British and American trade with the island was larger than that of Japan, the most important branches of trade, as well as shipping, were in British hands. The British owned Douglas Co. monopolized shipping, the Hongkong and Shanghai Banking Corporation dominated the financial sphere, Jardine Matheson, Dent, and Samuel Samuel traded in camphor, sugar, tea, and other products, while the trade in rice was chiefly in the hands of Chinese. Mitsui Bussan--the pioneer Japanese firm--did not appear on the island till 1898. The share of Great Britain in Taiwan's imports fell from 7.3 percent in 1896-1900 to 0.1 in 1936 and to almost zero in 1939, while in the same period that of the United States fell in 1896-1900, 3,413,009 in 1929, and 1,750,000 in 1939. from 5.3 to 1 and to 0.4.[sic] In 1896-1900 Taiwan's average annual imports from Great Britain were valued at 1,326,000 yen, in 1926-30 (in depreciated yen) at 3,083,000 yen and in 1936, at 392,000. The imports from the U.S.A. amounted to 957,000 yen in 1896-1900, 3,413,009 in 1929, and 1,750,000 in 1939. (The purchasing power of the yen of 1939 is probably not more than one-fourth of what it was in 1896-1900.)"

4:Grajdanzev--146-147 S-4 (no date) 1942
116, 439, 477, 563, 656, 177.47
636.47

Formosans -1-2
Japan

"Independent trade and foreign business are at an end (1) and the handful of foreigners

1. Identical amounts of foreign trade may mean different things for a nation; thus if an American firm buys tea in Taiwan, transports it to the United States in an American ship and sells it to retailers, the net result for the United States is very different from the case where a Japanese firm buys tea in Taiwan, brings it to the United States in Japanese bottoms, and sells it to American retailers.

in Taiwan are in a precarious position. In his [147] book 'Taiwan under Imperialism' Tadao Yanaihara explains this in the following way (2): in their competition with foreign

2. Yanaihara, op. cit., pages 48-49.

and Chinese merchants the Japanese traders had great capital; they also entered the sphere of production; they had the advantage of the cooperation of the Taiwan Bank; they were helped by state monopolies; they enjoyed subsidies from the state; they were protected by the tariff wall. But nowhere in his book does Professor Yanaihara give proof that the Japanese merchants had greater amounts of capital when their enterprises were organized. The huge capital funds were not brought from Japan; they were created in Taiwan itself. Neither can any reason be found for combination of trade and production

4:Grajdanzev--146-147 S-4
116, 439, 477, 563, 656, 177.47
636.47

(no date) 1942

Formosañs -2
Japan

as a cause of their success. According to his own statement (op.cit., page 48), the foreign traders and shipping were almost completely driven out (hotondo kuchiku serarete) by 1907. But at that time no Japanese took any part in the production of rice, whereas in tea production Mitsui Bussan Co. and Nozawa have participated only since 1907. As late as 1905 about 90% of the sugar was produced in primitive mills and only 4,535 tons in the mills of the newly-established Japanese enterprises, while the total exports of sugar for 1905 were but 42,600 tons. Pineapples and bananas were unimportant as articles of export in these early years: bananas appeared in the custom reports in 1907 (valued at only 44,129 yen), pineapples to the value of only 18,639 yen were exported in the same year. Since camphor became a monopoly, there is no question of competition with respect to it; while alcohol was practically not exported."

4:Grajdanzev--147 S-4

(no date) 1942

Formosans

116, 171, 477, 656, 177.47

Japan

636.47

"The establishment of a Japanese bank does not of itself mean that Japanese merchants would enjoy privileges in it in comparison with other clients. There remain then monopolies, subsidies, tariff walls and--we add--taxation policy, administrative pressure and other similar measures as causes of the Japanese commercial success. The same measures were applied in Korea, later on in Manchuria and are now being used in China."

4:Grajdanzev--148-149

S-4

(no date) 1942

Formosans-1-3

116. 439

"Exports By Commodities, (1,000 Yen)

	1900-4 average	1925-29 average	1936	1937	1938	1939
Rice	3,975	67,157	124,318	126,193	128,784	128,502
Sugar	3,234	117,562	166,116	191,546	189,258	259,827
Bananas		9,310	11,166	12,335	13,283	17,006
Tea	5,691	11,035	10,270	12,852	12,742	12,424
Canned Pineapples		2,785	7,244	9,220	10,412	13,342
Camphor, crude	2,912	4,036	5,333	4,476	4,066	6,010
Camphor oil	1,112	2,509	853a	1,063a	3,152	4,030
Alcohol		5,806	5,841	5,765	9,773	16,528
Fresh fish		1,303	3,277	3,268	2,233	3,719
Salt	91	985	1,103a	1,096a	2,259	1,252
Cotton tissues	23	4,010				
Hats, caps	21	2,969	2,453	3,270	2,989	4,829
Coal	25	7,098	2,254	3,932	7,986	9,167
Ores		1,943	15,637			
Timber			2,075	2,137	unreported	
All others	1,932	17,817	30,009	63,022	3,257	5,106
Total exports	19,016	256,325	387,949	440,175	66,460	102,197
					456,654	592,939

a) Exports to Japan only, other data could not be obtained.

116, 439

Exports As Percentages Of Total

Rice	20.9	26.2	32.1	28.7	28.2	21.7
Sugar	17.0	45.7	42.9	43.5	41.4	43.8
Bananas		3.6	2.9	2.8	2.9	2.9
Tea	30.0	4.3	2.6	2.9	2.8	3.6
Canned pineapples		1.1	1.9	2.1	2.3	2.3
Camphor, crude	15.3	1.6	1.4	1.0	0.9	1.0
Camphor oil	3.9	1.0	0.2 ^a	1.3	2.1	2.8
Alcohol		2.3	1.5	0.2 ^a	0.7	0.7
Fresh fish		0.5	0.8	0.7	0.5	0.6
Salt	0.5	0.4	0.3 ^a	0.3 ^a	0.5	0.2
Cotton tissues	0.1	1.6				
Hats, caps	0.1	1.2	0.6	0.8	0.7	0.8
Coal	0.1	2.8	0.6	0.9	1.7	1.6
Ores		0.8	4.0			
Timber			0.5	0.5	0.7	0.8
All other	10.2	6.9	7.7	14.3	14.6	17.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

a) Exports to Japan only, other data could not be obtained.

1. Source: for 1903-1929, Takahashi, *op. cit.*; for 1937, *An Inquiry into the National Income of Japan* (Economic Federation of Japan, Tokyo, 1940).

From the above table it is apparent that first place in Tai-[149]wan's exports is occupied by sugar, its value in 1939 being 260 million yen. Second place is taken by rice, the exports of which increased from 4 million yen in 1900-4 to 129 million in 1939, and next in order of importance, though far behind come tea, bananas, alcohol, pine-apples, and camphor. In 1900-4 the island exported chiefly tea and camphor, and these two products alone made up more than half the total exports."

4:Grajdanzev--149

S-4

(no date) 1942

Formosans

116, 314, 439, 655, 177.31

Japan

636.31

"The government, desiring to utilize the unique position occupied by Taiwan in the supply of camphor, made it a government monopoly. However, in the last few years synthetic camphor production has made striking progress and the monopoly is now definitely broken. This does not mean that natural camphor will lose its market for the expanding celluloid industry can successfully absorb the surplus, but the former advantageous position of the Japanese government is lost."

4:Grajdanzev--149 [21

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(no date) 1942

Formosans

Japan

116, 433, 439, 177.24

636.24

"In 1939 about 81 percent of Taiwan's exports consisted of agricultural raw materials and products manufactured from them such as sugar, tea, and tobacco. In fact the island is practically an agricultural appendage of the Japanese economy."

4:Grajdanzev--149-150 S-4 (no date) 1942

Formosans-1-2

116, 171, 435, 439, 177.43

Japan

636.43

"Two other aspects of Taiwan's exports should receive our attention. First, it is interesting to compare the gross value of Taiwan's production with its exports, keeping in mind that the gross value is considerably larger than its net value, i.e. by the cost of materials, fuel used in production, etc.

Comparison of the Gross Value of Production
and Exports

Gross value of production,	1903	1922	1929	1937
million yen	84.5	354.2	598.6	890.5
Exports, million yen	20.7	158.4	272.0	440.2
Exports as percent of gross value	24.5	44.7	46.3	49.4

From this table it appears that in 1903 about one-fourth of the gross value was exported, while in 1937 the amount had risen to 49.4 percent. This probably means that in 1937 not less than three-fourths of the total net value of production of production[sic] of Taiwan was exported. Such a high ratio of exports to gross value of production is probably approached only [150] by Korea (1).

1. If Taiwan were to receive the equivalent in imports, the large exports would not constitute a problem. But we shall see later that this is not the case.

To see how far this situation was to the mutual advantage of the natives and the

4:Grajdanzev--149-150
116, 171, 435, 439, 177.43
636.43

S-4 (no date) 1942

Formosans-2
Japan

Japanese, one should compare not only the ratio of exports to total production but also the absolute amounts which are not exported. In 1903 there remained 63.8 million yen worth of unexported goods, while in 1937 450.3 million were left. Let us now examine these figures in the light of price-changes. We have no index of prices for Taiwan in 1903, but we do have prices of rice--the most important product of the island--to which the authorities in 1937 gave a weight of 31 percent in the general index (2). A picul of

2. Actually it should be about 40 percent because the authorities gave sugar a weight of 25.3 percent, unduly large in view of the fact that more than 90 percent of the production is exported.

rice in 1903 cost 2.36 yen; in 1937, it cost 9.32 yen, or almost 4 times as much. If we also take into consideration the growth of population, the residual per capita gross production 'in rice prices' was 21.8 yen in 1903 and 19.8 yen in 1937. These are gross values of production, and since industry played a much greater part in 1937 than in 1903, the per capita net 'real' values in 1937 must actually be much smaller than in 1903. This is a startling conclusion. We emphasize again that these figures can only be approximate, yet they are sufficient to indicate the trend of events."

"The other matter of great importance is the sharp increase of exports from Taiwan since the start of the present Sino-Japanese war, without a corresponding rise in imports. In 1937 the increase of exports over 1936 (a year of peace) was 52 million yen, in 1938, 68 million, in 1939, 205 million, while imports increased by only 116 million yen between 1936 and 1939. To such a degree were Taiwan's reserves depleted that in spite of the great rise in prices the external trade shows a fall of 7 million yen for the first five months of 1940 as compared with the first five months of 1939. A brief analysis of Taiwan's imports follows. [151]

Imports by Commodity Groups (1,000 Yen) (1)

1. Source: Keizai Nenkan of the Oriental Economist, based on the data of Taiwan boeki geppo.

	1900-4	1925-29	1936	1937	1938	1939
Cereals, starches						
seeds	1,615	22,939	14,655	15,341	17,168	21,239
Foods and beverages, tobacco	3,788	33,249	45,031	15,341	17,168	21,231
Oils, fats and mfrs. thereof	1,276	7,490	13,877	47,001	54,214	66,679
Chemicals, drugs, dyes, explosives	3,203	9,530	15,586	17,623	19,386	20,593
				17,643	18,980	28,096

4:Grajdanzev--150-151

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(no date) 1942

Formosans-2

116, 439

	1900-4	1925-29	1936	1937	1938	1939
Threads, cords	215	3,930	4,568	4,850	4,648	5,214
Tissues, clothing and other textiles	3,175	29,528	38,417	40,888	52,303	48,566
Pulp, paper, books	841	5,257	7,937	9,015	10,008	11,860
Mineral and mfrs. thereof (cement, tiles, sand, etc.)	339	2,536	7,054	9,344	9,075	10,723
Ceramics	333	2,571	3,830	4,097	4,182	5,074
Ores, metals and mfrs.	1,126	15,711	33,553	43,853	48,721	45,909
Vehicles, machinery, arms, precision and scientific instru- ments	667	10,222	28,319	26,013	29,236	40,478
All others	4,924	47,196	79,859	86,456	98,738	104,227
Total	21,502	190,159	292,686	322,124	366,659	408,650"

"In return for exports to the value of 593 million yen in 1939 Taiwan received only 409 million yen worth of imports (69 percent). In order to move these exports to Japan certain conditions are obviously necessary. Taiwan must import rails, railway equipment, harbor equipment, bags for rice and sugar, fertilizers, etc. Taiwan's exports--rice, bananas, sugar, tea, pineapples, fresh fish, etc. --are foodstuffs. But most of the imports enumerated are of no direct use to the islanders themselves; they are beneficial only insofar as they help them to secure other goods. They are really costs of production. In 1939 at least 60.7 million yen worth of fertilizers, including bean cakes and other cakes, (included in 'all others' in the table above) and about 8 million yen worth of gunny sacks were imported. Another group of imports is connected with the effort to turn the island into a powerful base for further advances into China [152] and the Southern countries. Port facilities far beyond the needs of Taiwan itself, powerful radio stations, fortresses, strategic railways, factories producing war materials are being built. Again we cannot determine exactly how great this group of imports is, though we can guess its growth by following the growth of 'ores, metals and manufactures thereof', etc. These two groups, which in themselves contribute little to the welfare of the islanders, increased from 28 million yen in 1925-1929 to 62 million in 1936, to 70 million in 1937, to 78 million in 1938 and to 86 million in 1939. To some extent this growth is purely illusory since it reflects the rise in prices in these years, but we know that in the Japanese colonies, just as in Japan, the consumption of metals, machines, for peace time uses,

4:Grajdanzev--151-152

S-4 (no date) 1942

Formosans-2

116, 439, 722, 177.43

Japan

636.43

etc., was reduced or stopped completely, so that the greater part is now available for military purposes."

116, 273, 511, 563, 439, 565

"The remaining imports — imports for consumption — should be divided, wherever possible, into two parts — consumption by Japanese and consumption by Chinese. Without attempting any detailed analysis we may make a few remarks on the basis of the material available. In 1939, for example, 2 million yen worth of condensed milk was imported, as well as 7 million yen worth of sake and 5 million yen worth of beer, not including local production of sake and beer. Neither sake nor beer are Chinese drinks; they are consumed chiefly by 100,000 Japanese male adults and by the troops stationed there. To take another example, in 1939 48.6 million yen worth of fabrics and clothing, including shoes, hats, gloves, buttons, pearls, combs, bracelets, laces, etc. were imported into Taiwan. From this amount 8.1 million yen worth of gunny sacks should be deducted, leaving a balance of 40.1 million. If Japanese residents were able in 1939 to spend 12 million yen on drinks (not including locally produced and consumed beverages), they probably spent not less than double this sum on clothing, shoes and other personal articles (1) which—with a [153] few unimportant exceptions—are imported from Japan.

1. That this is not an overestimate may be judged from the following figures: 77.2 yen per person per year or about 25 yen per family per month can hardly be considered as excessive for clothing (including shoes, etc.) in a country where, for example, one yard of muslin cost 1.34 yen. In a special investigation conducted in 1937-1938, which covered 355 Japanese families with 1,397 members, the average

monthly income of a family was 184.6 yen, of which 23.6 yen was spent on food, 16.9 yen on lodging, leaving an ample margin for clothing and other expenditures. (Data on budgets from the Toyo keizai tokei geppo, July, 1940). An investigation conducted in Japan proper in 1936-1937, only one year earlier than the investigation in Taiwan mentioned above, gives the average expenditure on clothing of 10.18 yen per month for persons with an average salary of 88.37 yen; for the low income brackets it was 3.43 yen, for higher (about 100 yen), 12.18 yen. In our case the average salary is 184.6 yen, so that an expenditure of 25 yen on clothing is quite probable. See Kakei chosa hokoku, (Naikaku tokei kyoku) Tokyo, March, 1938.

If this is true, then not more than 3 yen per capita were spent on imported clothing by the Chinese in 1939 (2). But, as was pointed out in the preceding pages, the Chinese

2. The correctness of our estimate is supported by the budget estimates made by the government officials in 1936 and quoted by Nasu (op. cit.). According to them, the per capita annual expenditure on clothing of a representative Taiwanese farmer was 6.02 yen in 1936. This figure includes imported and locally produced clothing (shoes, hats, etc.) whereas our estimate is for the imported textiles only.

society in Taiwan is not uniform. Its wealthier members spend on clothing many times more than the small farmers, workers, or tenants."

"We have now come to a point where some estimate may be made of what the Japanese are getting from Taiwan (1). It is important to emphasize that all that follows is based,

1. Such questions as how many among the Japanese receive benefits from Taiwan and whether these benefits are distributed equally among recipients, do not concern us here.

with few exceptions, not on more or less exact official figures, but only on estimates. All those who have worked on colonial problems know how difficult it is to get certain data. This does not mean, however, that we should give up the idea of forming an opinion concerning, for example, colonial profits, for many facts are available which help us to make estimates. These are not therefore based on intuitive guesses, but are all founded on certain facts supplied by official and unofficial Japanese statistics."

4:Grajdanzev--154-155 S-4 (no date) 1942

Formosans -1-3

116, 171, 465, 511, 556, 563, 177.43

Japan

636.43

"The profits and emoluments which the Japanese get from Taiwan may be divided into two parts, that which they consume in Taiwan itself and that which is sent to Japan or invested in business. Consider first what the Japanese consume on the island. We shall assume that the workers and the lesser officials consume the whole of their income—any error which this hypothesis may involve will be small. Skilled Japanese workers in Taiwan earn about 700-800 yen a year and subordinate officials, who form the bulk of the Japanese population, earn about 1,200-1,500 yen a year. There are Japanese who earn and spend much less than the skilled worker and also rich Japanese who spend much more than 1,500 yen. Let us [155] assume that 1,500 yen is the average annual amount spent by a Japanese family in Taiwan and that in each family only one person is working (1). On these assumptions the disbursements of the Japanese popula-

1. It is interesting to note that the budget investigation conducted by the government-general in 1937-1938 based on 355 'representative' Japanese families comprising 1,397 persons arrived at an average of 184.56 yen per month or 2,215 yen per year. This investigation does not include the richest families but does include poorer groups (18 families with incomes below 840 yen a year) showing that our estimate of 1,500 yen is certainly not above the average, but quite probably below it. The same source gives budget figures for the Chinese on the island, but they cannot be used for purposes of accurate comparison because they embrace only the

4:Grajdanzev--154-155 S-4 (no date) 1942

Formosans-2

116, 171, 465, 511, 556, 563, 177.43

Japan

636.43

higher brackets of wage earners and salaried men. Their average earnings are 137.33 yen per month, though the official average daily wage is 1.27 yen, but those receiving less than 40 yen per month comprise only one percent of the cases investigated.

tion in 1938 are estimated at about 90 million yen. Of course, a part of this outlay would be made if Chinese workers and officials, working as hard and as well as the Japanese (2), were substituted for the latter. The average Chinese worker does not earn more

2. An official source says of the Chinese in the service of the Post Office that they 'have shown themselves as satisfactory postal employees as the Japanese in the same capacity.' (Taiwan, its System of Communications and Transportation, p. 24.)

than 380 yen a year (3), and a Chinese official earns about 600 yen. Thus the same num-

3. Based on the official daily average of 1.27 yen multiplied by 300 (days).

ber of the Chinese would cost only about 36 million yen, or about 54 million yen less than the Japanese. We shall see that this is not the chief item in the list of benefits

4:Grajdanzev--154-155 S-4 (no date) 1942
116, 171, 465, 511, 556, 563, 177.43
636.43

Formosans-3
Japan

which Japan derives from possession of the island (4).

4. The budget investigation conducted in Japan in 1936-37 gives the average monthly income as 90.59 yen per family for 558 families, while that in Taiwan in 1937-38 gives an average 184.56 yen for 355 families. If the groups included are reasonably comparable, as seems probable, the difference between the average earnings of the two groups gives some indication of the net advantage of the Japanese occupied in Taiwan and their 'dividend' in the colonial profits."

4:Grajdanzev--155
116, 434, 556, 177.43
636.43

S-4

(no date) 1942

Formosans
Japan

"The amount of profits collected [by the Japanese--analyst] may be calculated more or less precisely. We know that the exports from Taiwan are greater than the imports into the island and there can be only one explanation: considerable real wealth is transferred from Taiwan to Japan each year, wealth which represents the profits and savings of the Japanese in Taiwan."

4:Grajdanzev--155-156 S-4 (no date) 1942

116, 167, 457, 484, 563, 871, 177.43

636.43

Formosans

Japan

"One must, however, consider the invisible items in the balance of payments. The Chinese of the island rarely emigrate from Taiwan; as we have [156] already seen, the number of islanders living abroad is negligible. There are about 1,300-1,500 Taiwanese students in Japan proper, but their support by their parents and relatives can hardly cost more than one million yen a year—a small quantity in comparison with the figures involved. The islanders do not travel abroad, they have no investments abroad from which they draw income and there are only a few foreigners on the island, so that the general picture of an island having economic connections exclusively with Japan remains undisturbed."

"We have statistics of domestic and foreign postal money orders for Taiwan. Without exception each year the amount of money orders issued in Taiwan is above the amount of money orders paid in Taiwan. The difference indicates approximately the net remittance by the Japanese in the case of domestic money orders (an order on Japan is regarded as a domestic order in Taiwan), and by the Chinese in the case of foreign money orders. The average amounts for the last 5 years (1933/34-1937/38) are as follows:

	Issued	Paid	Balance
Domestic money orders (1,000 yen)	32,207	19,880	—12,327
Foreign money orders (1,000 yen)	467	96	— 371

Source—Financial and Economic Annual of Japan, 1938.

For the last 5 years the average balance of postal money orders in favor of Japan was 12,327,000 yen while that to the advantage, presumably, of China (1) was only 371,000

1. We say 'presumably of China' because it is difficult to find any other foreign country to which an average of 16,000 remittances are made annually from Taiwan.

yen. There is nothing astonishing in this because the Chinese working in Taiwan who are the citizens of China are either workers or petty traders and, of course, none of them are employed in governmental service. These are statistics of postal money orders, not of bank remittances, but there is no reason to suppose that the situation with respect to the latter is different."

4:Grajdanzev--156-158

S-4 (no date) 1942

Formosans-1-3

116, 457, 177.45

Japan

636.45

"The trade balance of Taiwan with all countries other than Japan is usually 'passive', but this trade also does not present a special problem. If Taiwan, for example, bought beans from Manchuria for 20 million yen and sold goods to Japan to the [157] value of 80 million yen, we may consider that this means that value of 80 million yen worth of goods were sold from Taiwan to Japan. The freight payments which accrue chiefly to the Japanese need not trouble us because they are included in Taiwan's statistics of imports and excluded from the statistics of exports. Thus we find the commodity balance of trade almost exactly measures the amount of profits and other earnings of the Japanese individuals, companies, and the government-general which they put at the disposal of Japan proper(1). Invisible items of the balance of payment with foreign countries do

1. Actually the profits derived by Japan from Taiwan are even greater, because (a) the gold produced in Taiwan and sent to Japan is not included in the trade statistics and (b) there was very active smuggling by Japanese of goods from Taiwan to Chinese ports, estimated by Japanese authors at several million yen a year.

not complicate the picture. Naturally, there is not an exact correspondence between the amounts transferred to Japan and the balance of payments from year to year and especially from month to month; more goods may be sent this year than there are

4:Grajdanzev--156-158
116, 457, 177.45
636.45

S-4 (no date) 1942

Formosans-2
Japan

profits and savings transferred, but in the following year the situation will be reversed if the normal functioning of the financial mechanism is to continue.

Let us now look at the balance of payments of Taiwan. In the first thirteen years of the Japanese administration (1896-1908) the balance was usually passive and the net aggregate amount of these passive balances was 31,655,000 yen (after deduction of active balances). It is fair to assume that this sum approximately represents net Japanese investments in Taiwan—a sum for which no equivalent was received up to 1908. Since that time the balance has been active. Admittedly, these investments do not include Japanese expenses of military occupation. But these were taken care of by the huge indemnity paid by China to Japan after the war of 1894-1895. This indemnity, as is well known, was in excess of the cost of war to Japan.

Active Trade Balance of Taiwan (1, 000 Yen)

	Aggregate	Annual Average		Aggregate	Annual Average
1909-1913	26, 384	5, 276	1929-1933	354, 672	70, 934
1914-1918	167, 117	33, 423	1934-1938	481, 642	96, 328
1919-1923	212, 148	42, 430	1939	184, 289	184, 289
1924-1928	382, 971	76, 594			
Grand Total				1, 809, 223	

[158] Thus from an annual average of 5.3 million yen in 1909-13 the active balance of Taiwan rose to 96, 328, 000 in 1933-1938 and reached a peak of 184, 289, 000 in 1939. In

4:Grajdanzev--156-158

S-4

(no date) 1942

Formosans-3

116, 457, 177.45

Japan

636.45

many cases the trade balance cannot serve as a good indicator of what a country pays to others for foreign investments. However, the case of Taiwan is different. The items complicating the balance of payment as apart from the commodity balance are almost absent here. There are few islanders abroad and there are few foreigners (except the Japanese) in Taiwan. There are no other foreign investments (other than the Japanese) on the island worthy of consideration. The islanders do not travel abroad, the foreigners do not travel in the island. Almost all economic relations are with Japan; the economic relations with other countries, insofar as they exist, are taken care of in the balance of payments."

Grajdanzev--158

S-4

(no date) 1942

Formosans

16, 457, 563, 661, 177.43

Japan

36.43

"Of course, some part of the [trade--analyst] balance is made up by the remittances of the Japanese on the island to Japan-proper, remittances which may be presented as 'earned income' and not an income from investment. However, the thousands of Chinese citizens who reside on the island remit home to China only paltry sums. They are unable to earn as much as the Japanese, mainly because the privileged position of the Japanese is the result of the colonial status of the island. The services performed now by the Japanese in most cases could be as well performed by the islanders, but their part is to be servants of the ruling nation. It should be clear that this 'earned income' can be considered as a special form of the general income from the colonial exploitation of the island."

4:Grajdanzev--158-159 S-4

(no date) 1942

Formosans

116, 171, 457, 477, 661, 177.43

Japan

636.43

"The usual explanation of Japan's ability to obtain year after year tens of millions of yen worth of goods over and above what is sent from Japan to Taiwan is that this balance represents the interest on Japanese capital invested in Taiwan and the profits of the Japanese businessmen there. But a closer analysis of the figures given above reveals that this explanation is not satisfactory. It is important to understand that we are concerned here with investments and the returns on them, not from the point of view of an individual, but from the point of view of two regions—Taiwan and Japan. From 1896 to 1908, [159] inclusive, Japan sent goods to the value of 31,655,000 yen over and above her imports from the island and this represents her real outlay in the colony. She now receives from Taiwan sums which in every year since 1914 have been greater than this original 31,655,000 yen; which in every year since 1924 have been more than twice as great; and which in every year since 1934 three times as great, and in 1939 were six times as great as the original sum. Is this the legitimate interest on capital and profits of the entrepreneurs which are due to their energy, foresight and managerial ability?

Of course, we know that high profits are made not only in Taiwan, but, say, in the United States as well. Does this fact refute our thesis of exploitation? In no way. The existence of monopolies in the United States is a fact known to all. However, these monopolies are not permanent. Some of them appear, some disappear, every year."

4:Grajdanzev--159

S-4

(no date) 1942

Formosans

116, 457, 652, 661, 177.43

Japan

636.43

"For our purposes it is irrelevant whether all or only a few of the Japanese firms on the island make high profits; whether there are bankruptcies among them or not. We are concerned here with Japan's position in Taiwan as a whole. The existence of the Japanese firms on the island which make less than 10 percent on the invested capital, of the Japanese entrepreneurs who fail and the Japanese adventurers who return to Japan disappointed and disillusioned does not refute our thesis. It was shown in some detail above that beside investment profits as such there is derived from Taiwan the income of Japanese officials, and income originating in taxation, monopolies, fines, etc., most of this due in the last analysis to one source—Japan's colonial power. All this brings us to the conclusion that the active balance of Taiwan's trade represents mostly an unusually high degree of exploitation of the Chinese on the island by the Japanese government and industrialists.

To those who ask whether the colonies are profitable or not, it may be said that the ruling group of Japan knows that they are. They are able in Taiwan to support 300,000 Japanese on a much higher level than those Japanese would enjoy in Japan and in addition to extract profits of more than 100 million yen a year."

4:Grajdanzev--160

S-4

(no date) 1942

Formosans -1-2

116, 643, 177.64

Japan

636.64

"The administration of Taiwan is entrusted to the Taiwan governor-general, who is appointed by the Emperor of Japan. Before 1919 only generals or admirals could occupy this post (1) and nowadays, if the governor-general is at the same time a general or

1. Recently the opinion was expressed in the Japanese press that, in view of the importance of Taiwan as a base for the advance to the South, this practice should be restored.

admiral, he is also commander-in-chief of Japanese forces on the island. If, on the other hand, he is a civilian, he may demand from the commander of the army the use of troops for the maintenance of order. His powers are extensive. He supervises the work of all administrative machinery, promotes the officials, dismisses them from service, though in respect to certain ranks his action must be approved by Tokyo. He has a right to suspend or cancel any order or any administrative measure of provincial governors under him and he can impose on any person on the island, without recourse to the courts, a fine up to ¥200 and/or a prison term up to one year. Under him are his Secretariat, the Departments of Home Affairs, Education, Finance, Colonial Development, Police, Communications, Monopolies and the Research Institutes (Central, Sugar, Aquatic). His actions are supervised by the Japanese Minister of

4:Grajdanzev--160

S-4

(no date) 1942

Formosans-2

116. 643, 177.64

Japan

636.64

Colonial (Overseas) Affairs, but as regards special branches of his administration he is also responsible to the Ministers of Finance and Communications."

4:Grajdanzev--160-161
116, 563, 646, 177.64
636.64

S-4

(no date) 1942

Formosans
Japan

" 'For the consulting of the people's opinions' there is an advisory body to the governor-general, Hyogikai (1), established in June 1921. Only government-general

1. Usually translated 'council.'

officials, civil and military, and those private persons 'rich in knowledge and [161] experience' whom the governor-general chooses to appoint have a right to represent the people's opinions; but all high officials, civil or military, are Japanese, and, as was mentioned, they are appointed as well as dismissed at the representation of the governor-general. This advisory body, consisting of a chairman, vice-chairman, and forty members is thus made up of persons whom the governor-general finds it convenient to appoint. The chairman is the governor-general himself, and the vice-chairman is his secretary-general. Each member is appointed for a two-years period, but with the permission of the governor-general may be released from duty before the expiry of that period. Clearly, this is a purely bureaucratic institution."

"The people of Taiwan have no representatives in the Japanese Imperial Diet, they have no representative body which takes part in the legislation or administration of the island.

Under these conditions the position of the governor-general acquires a special importance; and yet if we exclude Kodama, who spent eight years at his post (from February 1898 to April 1906), the average length of tenure is two years and one month, too short a time for a good knowledge of the local conditions. The tenure of the government-general is evidently subject to the vicissitudes of political conditions in Tokyo and has little to do with Taiwan."

4:Grajdanzev--161 [2] S-4 (no date) 1942

116, 631, 177.63

636.63

Formosans

Japan

"Let us now examine the local government administration of Taiwan. It is divided into five provinces, three districts, fifty-one counties and nine cities. Districts are formed in less developed regions—Taito, Karenka (in the East) and Boko (the Pescadores)."

4:Grajdanzev--161-162

S-4

(no date) 1942

Formosans

Japan

116, 635, 177.63

636.63

"The most important person in the province is the governor, and in the district, the chief of the district. Their powers and position are similar to that of the governor-general but on a smaller scale. They can impose upon any person without recourse to the Courts a prison term of two months and/or a fine of ¥70. They may ask military force for the maintenance of order, they supervise all administrative bodies in their respective provinces or districts, etc. These bodies are: the secretariat, the bureau of Internal Affairs, [162] bureau of Police Affairs, Police Headquarters, Taxation bureau, agricultural experimental stations, etc."

4: Grajdanzev--162

S-4

(no date) 1942

Formosans

116, 563, 642, 177.64

Japan

636.64

"The officials of the Japanese Empire are divided into three groups--chokunin, appointed by the Emperor, sonin, highest officials, appointed with the Emperor's approval, and hannin, lower officials, for whom the sanction of the Emperor is not necessary. In the government-general there were in 1938 7 chokunin officials, 119 of sonin rank, and 648 of hannin rank, while in the provinces and districts five persons were of chokunin rank, 94 of sonin and 1,523 of hannin.

These numerous high officials are exclusively Japanese and in the counties and municipalities there are hundreds more. Lower positions are occupied not only by Japanese, but also by Chinese, but as it is pointed out in Sekai nenkan; 'from the political point of view all administrative organisations are almost exclusively (hotondo zembunga) staffed with Japanese, while from the economic point of view everything is under the domination of the Japanese economy' (1).

1. P. 179."

4:Grajdanzev--162 [2] S-4 (no date) 1942

116, 635, 177.63

636.63

Formosans

Japan

"Since 1920 there has been an advisory body for each provincial governor or district chief, consisting of 20-40 members, half of whom are appointed by the governor-general and half chosen (by indirect election) by the municipal and county council. The governor of the province is the president of the provincial council. The officials administering the counties and whose duties are chiefly of a police character, the mayors of the cities and of rural communities are not elected, but are appointed by the government."

4:Grajdanzev--162-163

S-4

(no date) 1942

Formosans

116, 171, 632, 641, 177.64

Japan

636.64

"The municipal or village councils have from 8 to 40 deputies (according to the population), half of whom are appointed by the government and half elected. The electorate is made up of male Empire subjects who have attained the age of twenty-five years, who are not dependent, who have lived continuously for at least six months in that particular locality and pay at least five yen in municipal or village taxes (house tax, land tax, or business tax). [163]

Thus it is clear that the only places in which there is some semblance of elections are the cities or villages. As has already been pointed out, the small landowners in Taiwan possess chiefly dry land and the majority of them own less than one ko. But the village land tax from one ko of dry land is less than five yen and consequently the majority of owners, as well as all tenants and workers, have no right to vote. We have no data for Taiwan, but the example of Korea shows that by this device two per cent of the population—the Japanese—form the majority of the electorate."

4:Grajdanzev--163
116, 625, 642, 177.64
636.64

S-4

(no date) 1942

Formosans
Japan

"Since the mayor and half the members of the Council are appointed by the government, since the mayor and all higher officials have the right to reject the decisions of the councils, since the provincial councils are appointed or elected indirectly and since the advisory council to the governor-general is appointed directly, we may say that after forty-five years of Japanese rule, Taiwan is a colony in the government of which the islanders have no voice whatsoever and in which the Japanese themselves as citizens have little or no influence. The island is ruled by the governor-general with the help of the army and police."

4:Grajdanzev--163 [21 S-4

(no date) 1942

Formosans

116, 171, 625, 659, 871, 177, 62

Japan

636.62

"Many times on the preceding pages it has been shown that Taiwan is more poorly supplied with this or that commodity than is Japan proper. But in one respect Taiwan is better supplied—with policemen. According to Dainippon teikoku nenkan (Statistical Year Book of the Japanese Empire) for 1937, there was one policeman for every 1,052 persons in Japan proper in 1937, while in Taiwan there was one for every 580 persons. According to the same source there were more policemen than teachers in Taiwan—9,972 policemen in 1937 as compared with 9,651 teachers of all kinds in 1936—while in Japan proper the number of teachers was almost six times as large as the number of policemen. The number of policemen in Taiwan is almost three times the number of physicians."

4:Grajdanzev--163-164

S-4

(no date) 1942

Formosans-1-2

116, 563, 625, 177.62

Japan

636.62

"Besides having this regular police force the whole country is organized for police purposes through the revival of the old Chinese system of paochia. As we saw, the Chinese of the island have no voice in the government of the island, but they [164] are widely used for police purposes through the paochia system, which is obligatory for the Chinese, but from which the Japanese are free. Ten Chinese families form a chia and ten chia a pao, so that a pao comprises one hundred families or about 500-600 persons. At the end of 1938 there were 53,876 heads of chia and 5,648 heads of paochia (called paocheng in Chinese or hosei in Japanese). All these persons are elected by the members of the chia or pao, but they must be approved by the governor (or the chief of the district). It should be noted, however, that although they have no right to elect their own representatives for the self-government, the members of the pao and chia have the right to elect their own policemen. This paradox is due to the fact that the duties of the chiachang (the head of the chia) and the paocheng are heavy, unpleasant, sometimes dangerous, and completely unpaid, while any expenditures which may be incurred are covered by a tax on the members. Only relatively prosperous men can afford to do this work and even they do it for the most part unwillingly. They police their community under the guidance of the professional policemen, report the number of residents, new arrivals and departures (very severe punishments follow failure to

116, 563, 625, 177.62

Japan

636.62

report), organize groups to pursue 'bandits', take precautionary measures in case of epidemics, repair the roads and bridges, fight insect pests, collect the taxes, etc., etc. If a crime is committed or the chiachang neglects his duty, he is the first person to be held responsible, but he along with the whole group is also held jointly responsible. This system was established by the Japanese government at a time when in spite of all governmental efforts, the island was not pacified, and some extraordinary measures were necessary to bring peace. But now, after more than forty years have passed since its inception, the system is a sign of weakness on the part of the government; it shows its distrust of a people conquered so many years ago and a belief among the rulers that only through this system can peace and order be maintained on the island."

4:Grajdanzev--165

S-4

(no date)1942

Formosans

116, 208, 563, 658, 871, 177.87

Japan

636.87

"In the sphere of education the island has passed through two periods, one before 1919 and another since that year. Before 1919 the policy of the government with respect to the Chinese of the island was vacillating. It was ready to recognize the existence of the Chinese in the Japanese Empire as a separate entity, and was ready even to help them preserve their Chinese character. A special society was created to investigate Chinese customs and habits and these were to be taken into consideration in court practice. Later, the failure of this policy was recognized and the avowed end became the japanization of the inhabitants of the islands in order to make them loyal subjects of the Empire. The elementary school was to become the chief instrument in this japanization. While before that period the education of the Chinese was completely neglected, since then school expenditures have grown and the number of pupils has increased from year to year. But this does not mean that there is any equality between the Japanese and Chinese as regards education. A literate population is necessary for the japanization of the islanders. Knowledge of the Japanese language is indispensable for workers, policemen, for the paocheng, for clerks, for all who work for their Japanese rulers. It does not mean, that there is any intention of raising the Chinese to an equal position with the Japanese."

"The school is considered the best instrument for turning the islanders into docile, law-abiding, hardworking servants. As may be seen from the following table the results, before 1930, were hardly impressive:

Number of Chinese on Taiwan who Understand the Japanese Language
(census data)

	1905	1915	1920	1930
Women	469	4,194	11,168	70,750
Men	10,801	50,143	87,897	294,677
Total	<u>11,270</u>	<u>55,337</u>	<u>99,065</u>	<u>365,427</u>

Source: Kokumin nenkan, 1940, p. 665.

[166] If we look at the rate of growth these figures may appear imposing. But actually the results can hardly be considered satisfactory since by 1930, after thirty-five years of Japanese rule over such a small area, only about ten per cent of the population understand the language of the rulers—and the degree of understanding required by the census-takers was small."

4:Grajdanzev--166-167
116, 563, 872, 177.87
636.87

S-4

(no date) 1942

Formosans-1-2
Japan

"The growth in the number of pupils in elementary schools may be seen from the following table:

Primary Schools in Taiwan					
	1935	1936	1937	1938	1939
Number of schools	781	783	789	796	812
Number of teachers	6,255	6,659	7,239	7,888	8,718
Number of pupils, 1,000	373.9	407.6	450.0	505.5	557.1
Number of pupils as percentage of children of school age	41.5	43.8	46.7	49.8	...
Graduates, 1,000	42.3	45.7	50.3	59.0	...

Source: Taiwan Jijo.

From this it appears that in five years the number of pupils in primary schools increased from 373.9 thousand to 557.1 thousand. About half the Chinese children of school age (8-14) are now in primary schools. This increase is partially due to the absorption of new pupils by schools, and partially to the fact that the schools have been increasing the length of the courses they offer from four to six years. If one takes into consideration the fact that during these six years the pupils must master thousands of characters as well as a foreign language and that most of the teachers are foreigners

4:Grajdanzev--166-167

S-4

(no date) 1942

Formosans-2

116, 563, 872, 177.87

Japan

636.87

(to them). it is clear that a six-year course is not a long one. These statistics do not include the schools for Japanese children. Theoretically there is complete equality in Taiwan and there are no special schools for the Japanese, but there are schools where instruction is carried on in the Japanese language. With the permission of the governor of the province Chinese may also be admitted to such schools, even if they do not know the Japanese language, but this permission is not given willingly. Many parents among the lower groups of Chinese [167] officials want to send their child to a Japanese school so that he or she will have a thorough knowledge of the language of the rulers and a better chance to get a higher paid job. But in 1936, out of 42,576 pupils in these schools, there were only 2,975 Chinese. There is another important fact with respect to the Japanese pupils; while in 1938 only fifty per cent of the Chinese of school age were in school, 99.4 per cent of the Japanese of this age were attending school in 1936."

"Whether or not the Japanese and Chinese children in their respective schools receive the same kind of education may be inferred from the following fact. In 1936 the maximum monthly salary of teachers in the schools for Japanese children was ¥82 for men and ¥70 for women and the minimum, ¥40 for men and ¥30 for women. But in the public schools (i.e. for the Chinese) the maximum salary was ¥50 and minimum ¥10, and this difference was not due chiefly to nationality, for the majority of teachers in the public schools are also Japanese, but to the calibre of the teachers (1).

1. On the average the expenditure per pupil in 1936 was twice as high in schools for the Japanese as it was in schools for the Chinese."

4:Grajdanzev--167 [21

S-4 (no date) 1942

Formosans

116, 563, 873, 177.87

Japan

636.87

"A further important test of any system of education is the number of students in secondary schools and in universities. As was mentioned, literacy is a necessity under modern conditions, even in the colonies. But to give a secondary education and especially a university education to the colonial peoples en masse is quite a different proposition. On April 1, 1939, there were 5,125 Japanese and 4,117 Chinese in the Taiwan secondary schools for boys. It will be recalled that the number of Chinese on the island is almost twenty times as great as the number of Japanese, and the proportion between the children of the two groups is even greater. In the girls' secondary schools the situation is even less favorable to the Chinese—5,312 Japanese pupils as compared with only 2,541 Chinese (1939)."

4:Grajdanzev--167-168

S-4

(no date) 1942

Formosans

116, 563, 874

"In the specialized schools the situation is similar—[i.e. proportionally fewer Chinese than Japanese students--analyst] in the industrial schools there are 963 Japanese boys and 460 Chinese; in the commercial schools, 1,791 Japanese [168] boys and 724 Chinese. The agricultural schools form the only exception, but even here there are 588 Japanese to 1,426 Chinese pupils though there are at least 300 times as many Chinese farmers as Japanese."

4:Grajdanzev--168

S-4

(no date) 1942

Formosans

116. 563. 873

"The fact that in 1936, for example, there were 5,576 applications for entrance to secondary schools, but only 1,622 boys were admitted (29.1 per cent of the applicants) . . and most of those were Japanese shows that there is an ardent desire to study on the part of Taiwanese youth. In 1936 there were 985 Japanese students and 384 Chinese in the teachers' colleges (which prepare teachers for the Chinese schools)."

4:Grajdanzev--168 [2]

S-4

(no date) 1942

Formosans

116, 563, 658, 873

"In discussing the public finances of Taiwan, it was noted that the expenditures on the only university in Taiwan, which is in Taihoku, cannot be considered as expenditures purely for the education of the Chinese population. In 1939 there were 192 Japanese and 90 Chinese students in this university."

4:Grajdanzev--168 [31
116, 563, 871

S-4

(no date) 1942

Formosans

"School Enrolment in Taiwan, April 1, 1939

	Japanese	Chinese
Youth of school and college age (8-22)	88,000*	2,000,000*
Pupils in primary schools	44,000*	557,135*
Pupils in secondary schools	10,437	6,658
Pupils in special secondary schools	3,343	2,610
Students in teachers' colleges (1936)	985	384
Students in the university	192	90

School Enrolment per Thousand Children of School Age

Pupils in primary schools	500*	278*
Pupils in secondary schools	118	3.3
Pupils in special secondary schools	38	1.3
Students in teachers' colleges	11	0.2
Students in the university	2	0.05

* Approximate figures."

116, 177, 563, 873

"It may be thought that the figures of students in secondary schools and colleges[see table on page 168, category 116--analyst] are not complete because they do not include those who are studying in schools and colleges in Japan proper. It is quite natural that those who have the means prefer to send their children to Japan to get their education at the centre of the Empire. We know that many Japanese from Taiwan are studying in Japan; probably their number far [169] exceeds the number of those who study in Taiwan, but unfortunately, we have no statistics. However, we have complete statistics of the Chinese from Taiwan who are students of Japanese colleges and universities. In 1936 there were in Japan 1,113 Chinese pupils from Taiwan in secondary schools of all types and 952 students in colleges and universities. These students studied: law 204 persons, medicine 507 persons, literature 27 persons, political science and economics 66 persons, commerce 71 persons, music 3 persons, art 7 persons, religion 6 persons, housekeeping 13 persons, physical culture 3 persons, all other subjects 45 persons, or a total of 952 persons.

These figures reflect the views of the students as to their future chances in life. The corresponding figures for the university in Taiwan are not so instructive because there the choice is very limited, while in Japanese they may choose in accordance with their future plans. The great majority of the students select courses leading to liberal professions—law, medicine, etc. They do this because they know that all other roads in

4:Grajdanzev--168-169

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Formosans-2

116, 177, 563, 873

Taiwan are closed to them. These figures show also that the inclusion of those who study in Japan in the number of pupils and students in Taiwan does not materially change the picture."

"Let us now consider briefly other cultural institutions in Taiwan. Below we give the data on libraries in Japan and in Taiwan.

Libraries in Japan and in Taiwan, 1936

	Japan	Taiwan
Number of Libraries	4,730	86
Books	12,647,973	369,961
Readers	24,124,344	886,084
Readers per year per capita of population	0.34	0.16

Source: Dainippon teikoku nenkan.

The libraries in Japan are not visited very often—on the average only one out of three persons visits a library once a year—but in Taiwan only one out of six persons finds his way to a library once during the year. There is nothing astonishing [170] in this when we recall that there are only eighty-six libraries for a country with a population of six millions; it means that only the cities, where the Japanese are concentrated, are supplied with them."

4:Grajdanzev--170

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Formosans

116, 171, 345

"In Japan there were 32, 338 theatres in 1937 and 94, 853 cinemas (including temporary ones). In Taiwan there were only 120 theatres and 19 cinemas."

4:Grajdanzev--170 [21 S-4

(no date) 1942

Formosans-1-2

116, 204, 563, 656, 177.20

Japan .

636.20

"Now let us turn to another important sphere of cultural activities—newspapers. In Taiwan no newspaper can be published without the permission of the government-general, and the government-general has established a 'custom' of permitting only one newspaper to a city, so that up to 1932 there were only four newspapers in Taiwan, all in the Japanese language, though they sometimes carried a column in Chinese (1). Five

1. In 1937 a fifth one was permitted for Takao.

million Chinese in Taiwan had no newspaper of their own. In 1932 permission was granted to a Chinese weekly to appear as a daily, so that for the first time since the Japanese conquest the Chinese could read their own newspaper—Taiwan Shin-minpao. However, this experiment was short-lived. In 1937 it was decided that the people now know the Japanese language so well that no obstacles should exist to the japanization of the islanders. On March 1, 1937, all Japanese newspapers and the Chinese one carried a notice to the effect that after April 1 (for the Chinese newspaper, after June 1,) they were to cease publication of columns in Chinese (2).

2. Information on the newspapers is taken from Nippon shimbun nenkan, 1939, pp. 143-145. It is confirmed also by Sekai nenkan, 1929.

4:Grajdanzev--170 [21 S-4

(no date) 1942

Formosans-2

116. 204. 563. 656, 177.20

Japan

636.20

Thus after 1937 five and one half million Chinese could not read a newspaper in their own language, though most of them do not know Japanese."

4:Grajdanzev--170-171

S-4

(no date) 1942

Formosans

116, 175, 114, 204, 177.72

Japan

636.72

"Tadao Yanaihara, writing in 1929 when no Chinese newspaper was published, tried to find the cause of the difference between Taiwan and Korea (in the latter newspapers in Korean language are published). He thinks that the cause lies in the former independence of Korea and a resulting [171] Japanese deference to world public opinion, whereas Taiwan was a former Chinese colony and thus Japan did not have to make the same concessions to world opinion (1). We believe that this explanation is inadequate. The Japan-

1. Page 229, op. cit.

ese government had few scruples concerning world opinion for example in 1919 when it brutally suppressed the national movement of the same Korean people. The explanation is simpler. Korea was sold out peacefully by her rulers to Japan and at the time her people acquiesced in this sale, whereas the people of Taiwan did not recognize the cession of Taiwan to Japan. It is important to note that the act of cession took place not in Taiwan, but on the sea. The representative of the Peking government transferred Taiwan to the Japanese plenipotentiary on the open sea because Taiwan was in a state of turmoil. Abandoned by the government, betrayed by militarists, the islanders continued the unequal struggle for several years."

4:Grajdanzev--171

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Formosans

116, 208, 641, 625, 177.66

Japan

636.66

"Taiwan was conquered by the Japanese army. The regime which was established there was a military regime, and with few modifications it continues to be a military regime today. The government does not trust the Chinese, spies upon them, and is afraid of any movement which does not emanate from the government-general itself. Suppression of the Chinese culture and forcible japanization of the islanders is considered by the government as the best means of turning the islanders into loyal subjects of the Empire."

4: Grajdanzev--171-172

S-4

(no date) 1942

Formosans-1-2

116. 452, 476, 563, 661, 177. 47

Japan

636. 47

"The growth of Taiwan's cooperative societies of all kinds is good testimony to the ability of the Chinese population to organize and to manage quite successful enterprises. The growth of the cooperative movement in Taiwan may be seen from the following table:

The Cooperative Movement in Taiwan

	1913	1918	1930	1935
Number of societies of all types	18	171	407	462
Number of members	2,760	70,428	265,248	342,122
Paid-up capital 1,000 yen	484	4,455	13,949	15,250 [172]

In 1936 the urban credit cooperatives had deposits of 20.7 million yen, while the rural cooperatives had 64.3 million yen. In May, 1940 the corresponding sums were 36.4 million yen and 122.7 million yen. All this is the more remarkable because the cooperatives were developed by the Chinese with little help from the Japanese or from the cooperative associations of Japan (1), and because the government put so many obstacles

1. This does not mean, of course, that the Japanese cooperative associations were unfriendly to the Taiwan cooperative movement. Quite the contrary. Throughout the history of the Taiwan cooperative movement the Chinese received every encouragement from the Japanese societies and from the certain Japanese individuals; but this help could not be great because of the conditions existing on the island. It is

4:Grajdanzev--171-172

S-4

(no date) 1942

Formosans-2

116. 452, 476, 563, 661, 177. 47

Japan

636. 47

important to emphasize that many individual Japanese physicians struggling with epidemics, teachers bringing education to far-away villages, political organizers helping the Chinese to organize their fight for freedom, and many others whose services to the Chinese were great and whose relation to the conquered people was that of sympathy and often of self-sacrifice, deserve the highest praise. However, it is not the individuals who count most, but the system, and however good the intentions of particular individuals might be, they could not and cannot change the governmental system existing on the island.

in the way of the development. The managerial and controlling staffs of the cooperatives in Taiwan must be approved by the government-general, so that 'undesirable' elements can be eliminated from the movement. The active members of the societies were often arrested and imprisoned and obstacles were put in the way of the creation of a powerful central body for the cooperative movement. But in spite of all obstacles the population of the island succeeded in building up a strong and useful organization."

4:Grajdanzev--172-173 S-4 (no date) 1942

Formosans

Japan

116. 452. 241, 476, 563, 177.47

636.47

"Since the start of the present war, however, through increasing supervision and various regulations, the government has turned the cooperatives into a piece of bureaucratic machinery, rather like the paochia. The chief function of the agricultural cooperatives, which form the backbone of the movement, has become the collection of rice and other products and their transfer to the government. According to the declared rations (1), the farmers in Taihoku province, for example, are to have only from two to

1. The ration figures are taken from the Ekonomisuto, Tokyo July 1, 1940.

two and half go of rice per day (0.6-0.75 lb.). But this is considerably below the usual consumption of [173] the farming population, so the farmers will not willingly surrender their 'surplus' and the cooperatives have been turned into organs for the compulsory collection of grain and other agricultural products. The only organization created by the islanders which had some semblance of independent existence is thus becoming a mere cog in the Japanese military machine."

4:Grajdanzev--173
 116, 744, 759, 177.74
 636.74

S-4 (no date) 1942

Formosans -1-2
 Japan

"In all books and articles published under the auspices of the Japanese government the remarkable successes of the Taiwan government with respect to the health of the population are described, and there is no doubt that improvements took place in Taiwan after 1896—it would be strange if this were not so. More than 300,000 Japanese live there now and their health depends to an important degree upon the health of the surrounding population, especially in case of epidemic diseases. First of all, for the sake of comparison, we give the basic figures for Taiwan and Japan.

Number of Physicians, Dentists, etc. in Japan and in Taiwan, 1936

	Japan	Taiwan	
	1936	1936	1938
Physicians	61,799	1,834	1,983
Dentists	22,072	402	407
Pharmacists (<u>yakusaishi</u>)	28,156	190	213
Nurses	124,402	...	170
Midwives	61,732	1,744	1,796
Per 10,000 of population			
Physicians	8.8	3.4	
Dentists	3.1	0.7	
Pharmacists	4.0	0.3	

4:Grajdanzev--173
116, 744, 759, 177.74
636.74

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(no date) 1942

Formosans-2
Japan

Nurses

17.7

0.3

Midwives

8.8

3.2

Source: Dainippon teikoku nenkan and Taiwan Jijo. "

4:Grajdanzev--173-174

S-4 (no date) 1942

Formosans

116, 171, 278, 744, 759

"In the section on education it was shown that Chinese college students from Taiwan prefer to study medicine because this is a profession in which it is relatively easier to establish oneself than in others. Now we see that in spite of this attraction [174] there are two and a half times as many physicians per 10,000 population in Japan as there are in Taiwan. The same is true of midwives, though the need for midwives is greater in Taiwan, where the birth rate is one and a half times as high as in Japan. On the same per capita basis there are four times as many dentists and thirteen times as many pharmacists in Japan as in Taiwan. These and many other figures which could be quoted show that as regards health services Japan is several times better served than Taiwan. And actual conditions are even worse than these figures suggest because the equipment of hospitals is poorer and the physicians rely chiefly on advice and prepared drugs, which are sold by some 6,600 stores as well as 6,700 peddlers."

116, 164, 171, 758

"In 1937 about 22 times as many cases of dysentery per 1,000 inhabitants, twice as many cases of typhoid fever, 9 times as many of paratyphoid, 17 times as many of scarlet fever, 3 times as many of diphtheria and 21 times as many cases of insanity were registered in Japan as in Taiwan. But this does not mean that Taiwan is a remarkably healthy place in which to live. There are more cases of epidemic diseases per 1,000 population in Taiwan than in Japan, but they are not registered because the masses of the population cannot afford to pay a physician, far less a hospital. From the official sources we know, for example, that each year out of 100-108 thousand deaths at least 9,000 are due to tuberculosis; probably far more because it is doubtful whether all cases are registered. According to the official estimates the number of tubercular persons is '80-90 thousand', but there are only 150 beds in the tuberculosis hospital for the whole island. Besides tuberculosis the island is ridden by trachoma, intestinal parasites, venereal diseases, leprosy, and malaria. Concerning the first two, official sources say only that they are 'widespread'. As to venereal diseases the chief means of their transmission is licensed and unlicensed prostitution."

116, 164, 177, 548

"Before the coming of the Japanese. prostitution was practically unknown (1). In [175]

1 Franck, H. A., Glimpses of Japan and Formosa, 1924. pp. 178-181. The author quotes also the testimony of a Spanish missionary who spent many years in Formosa.

1938 out of 45,582 examinations of licensed prostitutes by the police 4.26 per cent were found to be victims of these diseases (2). Beside these licensed prostitutes (who do their

2. The officials mention that in Japan only 2.15 per cent of the prostitutes are infected.

part in contributing to the state treasury) there are an unknown number of unlicensed prostitutes who from times to time are caught and examined by the police. In 1938 more than one thousand of these were examined, 31.6 per cent of whom were infected. The difference between these two groups is explained very simply; those among the licensed who cannot be cured enter the ranks of the unlicensed."

4:Grajdanzev--175

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(no date) 1942

Formosans

116, 164, 758

"According to the police investigation of 1930, there were at that time 1,084 lepers on the island, but the actual number is certainly larger. (In Korea there were 13,786 lepers in 1937, not including incipient cases, and probably this also underestimates the situation.) Only 700-800 of these are segregated."

"In the early days of British commercial domination Taiwan was notorious for the prevalence of opium smoking. When the Japanese conquered the island, they decided to apply a method of licensing opium smokers. Those who were addicted to this evil practice were permitted to continue it on payment of a certain fee for a license, but no new addicts were permitted. In 1898 95,449 addicts were licensed. However, some years later a more careful survey brought to light (1) as many as 165,752. In 1908 there were

1. Y. Takagi. Japan Magazine. 1930, pp. 244-248.

119,991 licensed opium smokers, in 1926 there were 31,434 and it was said that the majority of them were over 55 years age. However, in 1938 there were 10,788 opium smokers still alive. In 1906 when there were at least 130,000 licensed opium smokers, they bought 4,395,497 yen worth of opium; in 1938, when there were only 10,788 opium smokers, they bought 1,863,063 yen worth. The explanation is that in 1906 one kilo of opium was sold by the government for 23.0 yen, in 1938, it cost 120 yen, or five times as much. This reliance on price increases, however beneficial it may have [176] been for the Treasury, has unfortunately led some addicts to turn to other, cheaper substitutes, such as morphine and heroin."

"There is a widespread but false belief that the Japanese lack the missionary spirit and that because of this, at least in the field of religion, the islanders may cling to the faith of their forefathers. The Japanese have their own societies for the propagation of the faith, missions and other implements of spiritual conquest, but the results are not very encouraging:

Number of Followers of Japanese Sects and Churches in Taiwan

	Japanese	Chinese
Various Buddhist sects (incl. <u>nichiren</u> , <u>sodoshu</u> , etc.)	73,504	27,398
Shinto and other churches)*	18,159	13,024
Buddhist churches†	40,025	17,008

* But there were only 5 Chinese as against 573 Japanese followers of pure shintoism.

†This does not include followers of Chinese Buddhism.

These figures show that the successes of the Japanese missionaries have not been conspicuous, especially if we compare them with the 41,708 Chinese followers of the Presbyterian Church and 7,399 of the Catholic Church, neither of which have a state organisation behind them. But with the increasing pressure being put on foreign Christian churches in Japan. the work of the Taiwan Christian missions is now endangered."

4:Grajdanzev--176-177

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(no date) 1942

Formosans -1-2

116, 175, 208, 563, 668, 177.65

Japan

636.65

"Political Movements (1)

1. The information concerning these movements is taken chiefly from Yanaihara, op. cit., and from Sekai nenkan, 1939.

As was shown in the historical section of this book, the island was not actually acquired by the treaty of Shimonoseki, but was conquered by the Japanese. This conquest took seven years and the Japanese recognize that the island was pacified only about 1902. However, in 1907 the Peipu rebellion broke out, the immediate cause being an attempt on the part of the officials to use the paochia in the subjugation of the savages. In 1912 the Linchi rebellion broke out in connection with the felling of the bamboo forest by Mitsui interests, and in 1915 [177] there was a new rebellion at Hsilaian. All these rebellions were suppressed by the government. These and other spontaneous movements the information concerning which was withheld by the government, are classified by the Japanese as rebellions of the old type, to distinguish them from newer movements guided by persons with modern education and ideas. The first of these movements was led by a Japanese, Taisuke Itagaki, who came to Taiwan in November 1914 and organized Dokakai, the Assimilation Society. The purpose of Itagaki was not a revolutionary one; he wanted to see the Chinese of the island assimilated by the Japanese. He realized however, that this assimilation could not take place unless the Chinese of the island

4:Grajdanzev--176-177 S-4
116, 175, 208, 563, 668, 177.65
636.65

(no date) 1942

AD1 Formosans-2
Japan

were given equal treatment and equal opportunities in education. But such ideas appeared too dangerous to the government-general and the movement was suppressed in February 1915. Another stimulus to the awakening of political consciousness in the Chinese was given by Lin Hsien-t'ang, a wealthy Chinese who petitioned the government to permit him to open a private middle school in Taichu for the Chinese. The idea was evidently so strange and radical to the Japanese that they consider this application an important stage in the political development of the island. In 1918 the Chinese from Taiwan who studied in Tokyo organized the Domeikai, an organization the primary purpose of which was to effect the abolition of some especially harsh laws in Taiwan. In 1919 this organization started a monthly publication Taiwan Youth, which a few years later was changed into a weekly. At that time the attempt to transfer its publication to Taiwan failed, but the organ became the spearhead of the educational movement and in the 'liberal' years of 1927-30 this publication succeeded in moving to Taiwan and turned into a daily newspaper, the fate of which has already been described."

"The World War brought in its wake unrest and political agitation. Lin Hsien-t'ang, together with many other Chinese, petitioned the Imperial Diet in February 1921 for the establishment of a parliament in Taiwan and for some kind of home [178] rule. The diet paid no attention either to this or to the following petitions, but the government-general arrested hundreds of persons in 1923 in order to stop the movement (1).

1. This is the Japanese version. Professor R. Goldschmidt, who visited the island in 1926 and who is in general an admirer of Japanese colonial methods, writes as follows: 'There are rumors that the movement was suppressed with 3,000 death sentences. But the notorious Japanese system of secrecy makes this difficult to verify.' (Translated from the German, Neu Japan, Berlin, 1927. pp. 109-110.)"

4:Grajdanzev--178-179 S-4 (no date) 1942
116, 467, 656, 668, 177.66
636.66

Formosans -1-2
Japan

"In October, 1921, Lin Hsien-t'ang, Ts'ai Pei-ho (who was arrested in 1923), Chiang Wei-sui and others organized the Taiwan Bunkakyokai (Taiwan Cultural Society), which very soon became the centre of the national movement among the moderate elements. But in 1926 the Marxist groups made their appearance on the island for the first time when twenty Chinese formed the Taiwan Proletarian Youth League (Taiwan Musan Seinenkai). Since that time the political movement has separated into two branches—the Moderates centered around the Bunka Kyokai and were strongly represented in the Taiwan Agricultural Cooperatives, and the revolutionary Marxist organizations closely connected with the workers union (Taiwan Koyuso remmei), which in 1928 was reported to have had as many as 6,367 members and to have organized several successful strikes. However, after 1928 there began a new era of suppressions and arrests and one after another the Chinese organizations fell victims to it. The Marxist groups were the first to go. In 1931 the Taiwan Koyuso remmei was suppressed and finally in August 1937 even the most moderate movement of the right wing organizations, the purpose of which was the reform of local government, was dissolved on the claim that the government had already realized this reform.

This, of course, does not mean that all these movements were eradicated; they went underground, and continued their struggle, but the government suppression made even moderate groups more radical than they were before. In 1931 Taiwanese in Shanghai reorganized their Taiwan Youth Party into the Anti-imperialist League. It had close

4:Grajdanzev--178-179

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(no date) 1942

Formosans -2

116, 467, 656, 668, 177.66

Japan

636.66

connections with Taiwan, where its members from time to time were rounded [179] up by the police. "

"That the struggle in Taiwan continues one may see from a dispatch from Chungking which reads in part: 'Great significance is attached here to the formation of a united front among the various Formosan revolutionary parties with the inauguration of the Federation of Formosan Revolutionists. The unification of the revolutionary parties is announced in the first issue of the Taiwan Hsienfeng, official organ of the newly-formed organization.

The Federation is composed of the Formosan Independence Revolutionary Party, The Formosan Revolutionary League and many other smaller groups of Formosan revolutionists, active throughout Formosa, in China and foreign countries. 'Since the outbreak of the Sino-Japanese hostilities Formosan revolutionists have started many uprisings in Formosa. Japanese-owned mines were bombed, oil wells set on fire, and railways wrecked.' (China To-day, September 1940, p. 19.)

Of course it is useless to try to find confirmation of this information in the official sources, which even before the war were so secretive about the nationalist movement in Taiwan. But those who are well acquainted with the position of the Chinese in Taiwan will not be astonished by this kind of information.

The immediate aims of the party in Taiwan are formulated as follows: (1) To disorganize Taiwan's production and communications. (2) To strengthen Alashan anti-Japanese guerilla forces in Taiwan. (3) To organize groups of volunteers for war with Japan in China. (4) To organize strikes of workers, municipal personnel, pupils.

4:Grajdanzev--179

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(no date) 1942

Formosans-2

116, 668

(5) To spread anti-war and anti-fascist propaganda. (6) To unite all Taiwan revolutionary organisations. (Taiwan Hsienfeng, April 15, 1940, p. 31.)"

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4:Grajdanzev--180-182

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(no date) 1942

Formosans-4

116. 113

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A: Grajdanzev--182

116. 804

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(no date) 1942

Formosans

"Note on Weights and Measures

1 ko (chia)

=

2.377 acres or 0.961 hectares

1 koku

=

1.804 hectolitres or 5.119 U. S. bushels

1 kin

=

0.6 kg. or 1.32 lbs.

100 momme

=

0.827 lbs.

1 go

=

0.3 lbs."

4:Grajdanzev--185-187

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(no date) 1942

Formosans-1-3

116, 453, 648, 177.64

Japan

636.64

"Taiwan 'the stone aiming at the south' was acquired by [186] Japan in 1895. The Bank of Taiwan, established in 1897, had among its tasks penetration of Southern China and Nan-Yo (1). In 1900 it established a branch in Amoy; in 1903—in Hongkong. In 1912 one

1. Nan-Yo includes Southeast Asia and the islands between Formosa and Australia. It is not clear whether the term includes Australia and New Zealand. Inclusion of Australia and New Zealand was denied by the former Minister of Foreign Affairs, Mr. Matsuoka, presumably to alleviate the fears of the Australians, but the maps published by the Japanese theorists of the southward advance include Australia and New Zealand.

in Bangkok. During the same period a well-planned net of agencies of the Bank was laid throughout the Malay archipelago. In 1919 with the assistance of the Bank of Taiwan the Chinese Southern (Hwa Nan) Bank was established with a capital of 10 million yen, and head offices in Taihoku, Taiwan. Its purpose was work among the Chinese emigrants in the colonial countries of Southeast Asia. In the same year the Bank of Taiwan established the South Seas (Nan-Yo) Warehouse Company with a capital of 5 million yen. As early as 1908 the government-general of Taiwan decided to earmark from its budget 700,000 to 800,000 yen annually for the purposes of education, health work, protection, cultivation

4:Grajdanzev--185-187

S-4

(no date) 1942

Formosans -2

116, 453, 648, 177.64

Japan

636.64

of friendship, and financial assistance to the Japanese in South China and Nan-Yo. But beside these purposes, about which some information will be given below, there was financial assistance not only to business men as such, but to business men of a special character. Malaya, Netherlands Indies, Australia, the Philippines, French Indo-China and Siam, not to mention South China, were systematically covered by a network of Japanese photographers, druggists, laundries and shopkeepers. There were hundreds of photographers who did not have as many as five clients a year; druggists who never sold any drugs to the natives or any one else; fishermen who were busy in surveying the coasts and taking soundings. We do not know how many of them were paid from the general budget of Japan proper; but we know that the sums appropriated annually by the Taiwan government-general were probably sufficient to support 3,000 such people throughout Southeast Asia (Y240 a year being enough for a frugal Japanese in [187] these southern countries.) To this network one should add the branch offices and agencies of the Bank of Taiwan, and the consulates of the Japanese Empire dotting the same area (2).

2. French officials in Indo-China complained that the Japanese knew more about Indo-China than they did. (Noted in Mirovoye Khozyaistvo, . . . , 1941). The same may be said about other countries of Southeast Asia.

The details of expenditures of the Taiwan government-general for this purpose

4:Grajdanzev--185-187

S-4

(no date) 1942

Formosans-3

116, 453, 648, 177.64

Japan

636.64

according to a Japanese source 'are not clear' (3), but it was said that 60% were spent

3. Taiwan Keizai Nempo, 1941, p. 778.

in South China and 40% in Nan-Yo."

4:Grajdanzev--187
116, 208, 648, 177.64
636.64

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(no date) 1942

Formosans
Japan

"Under the auspices of the Taiwan government-general the Zenrin kyokai ('Good Neighbor Association') was established in 1917 and the Hakuai kai ('Philanthropic Association') in 1918. Their capital was supplied by the Government-General and the Bank of Taiwan; they opened schools and hospitals not only in South China, but also in Davao (the Philippines) and North Borneo. After 1918 the Zenrin kyokai started publication of newspapers for Chinese readers in Foochow, Swatow and other places."

4:Grajdanzev--187-188

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Formosans-1-2

116, 648, 177.64

Japan

636.64

"However, only after 1935 was the activity in Southeast Asia greatly intensified, the center, as before, being Taiwan. In 1935 the Government-General [of Japan--analyst] established a research institute for tropical countries. In 1936 a semi-private Taiwan Takushoku Kabushiki Kaisha (Taiwan Colonization Corporation) with a capital 30 million yen was organized, its purpose being not only the development of Taiwan, but also 'economic help' to the Japanese in South China and Nan-Yo and increase of trade with these countries. In 1936 the Japanese Overseas Minister, Mr. Nagata, answering an interpellation in the special session of the Diet, declared that 'the historical mission of Taiwan lies in the South, because of Taiwan's geographic position.' In 1937 the Government-General of Taiwan established a Foreign Affairs Division in charge of affairs of Kwantung, Swatow, Amoy, Hainan Island. The government stated the purpose as [188] being the spread of the knowledge of the Japanese language in South China and Nan-Yo through magazines, photographs, pictures, broadcasts, and in order—according to the statement of the Bureau of Information of the Government-General of Taiwan—to facilitate propaganda for the establishment of the East Asia Co-prosperity Sphere. In 1940 it established the Colonial Personnel Training School and rendered financial help to other institutions with similar purposes. The Bank of Taiwan was urged to give 'special loans' to the Japanese in South China (since 1935), in Nan-Yo (since 1936) and in

4:Grajdanzev--187-188

S-4 (no date) 1942

Formosans-2

116, 648, 177.64

Japan

636.64

the Philippines (since 1938). On March 30, 1939 Shinnan Archipelago (Spratly Island and others) was annexed and declared a part of the Taiwan Government-General. "

4:Grajdanzev--188
116, 648, 652, 177.72
636.72

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(no date) 1942

Formosans
Japan

"All this [i. e. Japanese penetration to the South--analyst] required additional grants, and grants were forthcoming. In 1937 the Taiwan Government-General appropriated for the purposes of southern policy Y1, 061, 000; in 1938 Y1, 552, 000; in 1939 Y4, 073, 000; in 1940 Y5, 387, 000; in 1941 Y8, 002, 000. These figures may serve as an index of Japan's preparations for war in Southeast Asia. These sums were earmarked for work outside of Taiwan; but at the same time other amounts, enormous by Taiwan standards, were set apart from the Government-General budget for the construction of the base for southern advance in Taiwan. These expenditures from a minimum of 25 million yen in 1937 rose to a minimum of 50 million yen in 1941."

4:Grajdanzev--188-189

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(no date) 1942

Formosans

116, 723, 177.72

Japan

636.72

"As for the future, the Japanese writers are not sure themselves whether Taiwan will not follow the fate of Okinawa Islands which, after the acquisition of Taiwan became a forgotten geographic name. But there is little doubt as to the importance of the island for the southern advance now and in the immediate future. First of all, the geographic position of Taiwan is favorable. Takao, in the southern part of Taiwan, is nearer to Manila than to Yokohama, and is just half way between Yokohama and Saigon, southern Indo-China. Takao is 1,495 miles from Yokohama and 1,800 miles from Singapore. [189] For certain purposes Hainan Island, seized by the Japanese in 1938-39 is an even better base for Japanese action in Southeast Asia, and there is no doubt that many of the transports of troops that are now attacking the Philippines came from Hainan. However, Haikow, the chief port of Hainan, was occupied by the Japanese only on February 10, 1939, and there was not time enough to make it a good modern base, especially because of the continued unrest and guerilla activities in the interior of the island. Taiwan for many years was being systematically prepared as a base for the army and navy operations in the South while the United States undertook an obligation not to fortify its bases in the western Pacific."

116, 487, 724, 496

"A base of operations cannot be considered only as a port. It must have enough room for deployment of troops and for general defense purposes. Taiwan is excellent in this respect; its few defects will be mentioned later. Its system of communications permits the authorities easily to move troops to any threatened point. An attack on Taiwan can be only air-borne or sea-borne. The nearest place on the continent, Foochow, is 115 miles from Tamsui. Under existing conditions in China, (and they hardly can be greatly changed in the next two years) an air attack from this direction is unlikely. An airborne attack on a large island from an aircraft carrier cannot be decisive. Aside from long-range sporadic bombing, Taiwan may expect only a major seaborne attack, an eventuality foreseen by the Japanese and widely discussed on the island. To repel an invasion by sea a well-developed network of communications exists on the island. The state of railways and roads on the island was discussed earlier in this book. Here it is sufficient to point out one defect in the railway system of the island: the western longitudinal railway is not connected with the eastern longitudinal railway because of the prohibitive cost of construction in the mountainous districts. However the whole coastline is followed by a road and there are four good automobile roads connecting the east coast with the west, so that troops may be easily shifted to most of the points on the east coast. [190] The west coast of the island is largely flat and easy for debarkation, but on that side of the island the communications are best. The eastern shore presents a mountain barrier falling abruptly to the sea, except for mouths of some rivers where beaches are available. However, in one respect this mountainous character may be a help to the invading

4:Grajdanzev--189-190

S-4

(no date) 1942

Formosans-2

116, 487, 724, 496

party: in case of air superiority on its side the bombing of bridges, viaducts, etc., may prevent the arrival of reinforcements and will permit a landing party to consolidate its hold over some part of the shoreline."

4:Grajdanzev--190
116, 504, 724

S-4

(no date) 1942

Formosans

"The island has ten ports, some of which are very well developed (1). Large sums

1. There are also three ports on the adjacent islands, two of them of small capacity.

have been spent on improvements and installations. The military port is at Bako (Mako) on the outlying Pescadores Islands between Formosa and China, but this area has long been a prohibited area and no information concerning its facilities is available."

7

4:Grajdanzev--190-191

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(no date) 1942

Formosans

116, 392, 724, 177.39

Japan

636.39

"Any good [Military--analyst] base must also have a well developed industry, especially a metal industry. Taiwan's supply of munitions, tanks, airplanes comes from the industrial centers of Japan Proper. It is, of course, impossible to change this situation. However, the more can be made or repaired, or assembled in Taiwan, the better. It was shown above that in spite of the rapid growth of industry in the last years the metal and machine industry of the island is small in size. We have no data on the years 1939, 1940 and 1941 when industrialization of the island was declared to be one of the basic policies in the construction of the base for southern advance. Yet indirect data (changes in bank credits, movement of railway goods, imports of the island, etc.,) do not suggest any very rapid change. Undoubtedly some growth took place, and it was well-oriented, but there were many obstacles to the realization of the plans: shortage of metals and machinery; shortage of labor, in some cases due to the unwillingness of the military authorities to pay higher wages; difficulties in the public finances of Taiwan [191] Government-General in view of the several bad harvests of rice and extraordinarily low production of sugar. All this suggests that by 1941 the development of machine and metal industry has hardly made great progress since 1938."

4:Grajdanzev--191

S-4

(no date) 1942

Formosans

116, 328, 724

"It should be pointed out also that since 1936 the government spared neither money nor efforts in development of gold production on the island, and, judging by the official reports, (which do not give actual figures of production) was quite successful. However, this success is hardly success in war-time, because of Japan's isolation and consequent inability to export the gold. Another important industry—production of aluminum—is dependent upon the import of bauxite from the Netherlands Indies."

4:Grajdanzev--191 [21 S-4 (no date) 1942
116, 162, 563, 668, 656, 723, 177.66
636.66

Formosans
Japan

"It was shown in the first chapters of this book that the Japanese on the island form only a very small part of the population of the island. The mass of the population is formed by the Chinese who came to the island from Fukien and Kwangtung. In spite of the Japanese government during the past decades they have remained Chinese in their thought, in their language, religious beliefs, customs, dress. The importance of Taiwan as a base for Japanese aggression is in this respect anomalous. An island where there are more than five million potential (and in some cases actual and active) enemies cannot be considered as a perfect base. Just across the straits lies China, unconquered in spite of four years of war. Underground organizations of Chinese exist on the island, and their representatives in Chungking claim many achievements, including acts of sabotage, open fighting with the Japanese troops by Taiwan guerillas and so on. There is no way to check these claims, because the [Japanese--analyst] Government-General a long time ago turned Taiwan into a news-proof prison, from which no information is available, except that which the Government-General pleases to publish for the benefit of credulous foreigners."

4:Grajdanzev--191-193 S-4

(no date) 1942

Formosans-1-3

116, 553, 563, 723, 177.65

Japan

636.65

"In any case. the Japanese government understands the abnormality of the situation [i. e. the unexpressed and expressed hostility of the people of Taiwan toward the Japanese--analyst] and the dangers connected with [192] it. To this 'domestic' consideration a special consideration of grand strategy is added. The militarists of Japan realize that the successful management of the Eastern Asia Co-prosperity sphere cannot be realized without the goodwill of at least some groups of the local population. They plan to retain the semifeudal organization of the Dutch Indies, Thailand, Malaya, etc., but to supplement it on the one hand with direct control over rajahs, sultans, chiefs and so on, on the other hand with an indirect control through the Chinese. In each country of Southeastern Asia there are millions of Chinese, chiefly of Kwangtung and Fukien origin. Their numbers could be easily increased, because through administrative measures their immigration has been kept down. In some countries only a very small number were admitted annually; in other permits to immigrate were given more or less freely, but on condition of payment of a very high head tax. The Japanese can easily double or treble the number of immigrants, putting as the only condition of migration a guarantee of the 'political reliability' of the emigrant. The Chinese have played an extremely important part in the economic life of the countries of Southeastern Asia. This part would be greatly increased on the one hand through repeal of certain limitations upon the activities of the Chinese, on the other hand through the systematic financial assistance given by the Japanese banks to the Chinese businessman, especially to middlemen. Of

4:Grajdanzev--191-193

S-4 (no date) 1942

Formosans-2

116, 553, 563, 723, 177.65

Japan

636.65

course, the activities of the Chinese would be controlled by the Japanese, and here the Chinese from Taiwan come into the picture. Many of them beside their own native language speak Japanese also. The number of such persons can be easily increased, especially if the youth of Taiwan knows that lucrative positions will be opened for them. Thus, two lines of control can be used: on the political side—local population—rajahs—the Japanese commissioners—Tokyo; on the economic side—local population—Chinese middlemen controlled by the Taiwanese or with the help of the Taiwanese—the Japanese monopolistic concerns. The local population will be then thoroughly controlled by the Japanese; on the other hand it will be racially divided and unable to present a united front against its masters. The Chinese will know that their interests and privileges depend upon the favor of the Japanese, their economic interests will oppose the interests of the local population. The Japanese militarists hope in this way to reconcile the native population of the island to alien rule. They declare that the greatest immediate problem in respect to the Chinese population of the island is kominka or turning them into imperial people, or more simply, some kind of assimilation. A campaign for the spread of the Japanese language is being conducted; the Chinese are encouraged to change their names into Japanese; various patriotic and chauvinistic societies have been established in order to influence the mind of the Chinese youth. One should not conclude from these facts that the Japanese want to establish a racial equality in this

4:Crajdanzev--191-193
116, 553, 563, 723, 177.65
636.65

S-4 (no date) 1942

Formosans-3
Japan

'co-prosperity' sphere. The Japanese authorities complain that very few islanders change their names. Actually only a few hundred have used this privilege. However, this change of name is not so simple; each case has to be approved by the governor, and it is clear that approval is given only to those who can prove their complete fidelity to their masters."

4:Grajdanzev--193

S-4

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Formosans

Japan

116. 177.65

636.65

"Thus, so long as the Japanese are successful in their aggression, their base in Taiwan is more or less secure; the experience which they have acquired in subdividing the Formosan people will help them considerably in Indo-China, the Philippines and other countries of Southeastern Asia. It is quite probable that some groups of the Chinese population of Formosa may be willing to 'cooperate' with their masters in subjugation of other countries. But if the victorious march of the Japanese is stopped or turned back; if the economic difficulties mount, as they certainly would in such an event, then Taiwan, with its restless and discontented population may become a base of doubtful value. But this will happen only when the military prestige of the Japanese has received a powerful blow from outside."